

OSB RESOLUTION 16-12

A RESOLUTION OF THE DISSOLVED TULARE REDEVELOPMENT AGENCY SUCCESSOR AGENCY'S OVERSIGHT BOARD, CONFIRMING THE APPROVAL OF THE SUCCESSOR AGENCY'S OVERSIGHT BOARD MINUTES

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of Tulare ("RDA Successor Agency") is the successor agency to the dissolved Redevelopment Agency of the City of Tulare ("Agency"); and,

WHEREAS, the Oversight Board is the RDA Successor Agency's oversight board pursuant to Health and Safety Code Section 34179(a); and,

WHEREAS, Health and Safety Code Section 34179(e) requires that all actions taken by the Oversight Board be adopted by resolution; and,

WHEREAS, the Oversight Board Secretary or designee has prepared and submitted the Minutes for the Board Meeting(s) of September 28, 2016 for approval by resolution; and,

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE DISSOLVED REDEVELOPMENT AGENCY OF THE CITY OF TULARE DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. CEQA Compliance. The approval of the Board Minutes through this Resolution does not commit the RDA Successor Agency or the Oversight Board to any action that may have a significant effect on the environment. As a result, such action does not constitute a project subject to the requirements of the California Environmental Quality Act.

Section 3. Approval of the Minutes. The Oversight Board approves the Minutes for the Board Meetings of September 28, 2016, in substantially the form attached to this Resolution as Exhibit A.

Section 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or application of this Resolution that can be given effect without the invalid provision or application, and to this end, the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. Certification. The City Clerk of the City of Tulare, acting on behalf of the Oversight Board as its Secretary, shall certify to the adoption of this Resolution.

Section 6. Implementation and Transmittal of the Administrative Budget. The Successor Agency's designee and/or the Oversight Board Chairperson are hereby authorized and

directed to take any action necessary to carry out the purposes of this Resolution and comply with applicable law regarding the administrative budget.

Section 7. Effective Date. This pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the State of California Department of Finance. An action of the Oversight Board shall not become effective five business days after notice of said action to the Department of Finance.

PASSED, APPROVED AND ADOPTED at a special meeting of the Oversight Board of the Successor Agency to the dissolved Redevelopment Agency of the City of Tulare, on the **16th** day of **November, 2016**.

Chair of the Oversight Board of Successor Agency
to City of Tulare Redevelopment Agency

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Roxanne Yoder, Chief Deputy City Clerk of the City of Tulare, Oversight Board Secretary, certify the foregoing is the full and true Resolution 2016-12 passed and adopted by the Oversight Board of Successor Agency to City of Tulare Redevelopment Agency at a special meeting held on November 16, 2016, by the following vote:

Aye(s) _____

Noe(s) _____ Absent/Abstention(s) _____.

Dated:

OVERSIGHT BOARD SECRETARY

Roxanne Yoder

**TULARE OVERSIGHT BOARD – ACTION MINUTES (SPECIAL MEETING)
SESSION INFORMATION**

Objective: *In accordance with the requirements of AB 1X 26 - Meeting of the Oversight Board specific to those actions and activities, as necessary, to facilitate the wind down of the former Tulare Redevelopment Agency*

Date:	09/28/16	Pete Vander Poel III – County of Tulare	Kathy Melendez - City of Tulare
Time:	5:30 PM	John Hess – County of Tulare	John Beck – Former Superintendent of Schools
Location:	Tulare City Hall Library Conference Room 411 East Kern Avenue Tulare, CA 93274	Bill Postlewaite – City of Tulare	Ken Nunes – College of the Sequoias N/A – Tulare Regional Medical Center

AGENDA ITEMS

PRESENTER

- | | |
|---|--|
| 1. Call to Order | 5:30 p.m. |
| 2. Pledge of Allegiance | |
| 3. Roll Call | Present: Pete Vander Poel,
John Beck, John Hess, Ken
Nunes, Bill Postlewaite

Staff Present: Darlene
Thompson, Steve Bonville,
Roxanne Yoder |
| 4. Citizen’s Comments & Communications
Comments from the public are limited to items listed on the agenda (GC 54654.3a). Speakers will be allowed three (3) minutes. Please begin your comments by stating and spelling your name and providing your city of residence. | None |
| 5. Presentations: | None |
| 6. Approval of Previous Meeting Minutes | |
| A. Adopt OSB Resolution 2016-09 approving the Action Minutes of June 22, 2016. | Moved by Board Member Beck, seconded by Board Member Hess and unanimously carried 5 to 0 to adopt Resolution 2016-09 as presented. |
| 7. Old Business | None |
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8. New Business

- A. Adopt OSB Resolution 2016-10 approving the issuance of 2016 Tax Allocation Refunding Bonds, Series A (Tax-Exempt) and Series B (Taxable) (together, the “2016 Refunding Bonds”) to refinance all or a portion of the outstanding Redevelopment Agency of the City of Tulare Merged Tulare Redevelopment Projects 2010 Tax Allocation Bonds, Series A (Tax-Exempt), Series B (Taxable), and 2010 Tax Allocation Housing Bonds, Series C (Taxable) (together, the “2010 Tax Allocation Bonds”) for debt service savings.
- B. Adopt OSB Resolution 2016-11 approving the transfer to The City of Tulare certain properties identified within and as previously approved by the Agency’s Long Range Property Management Plan.

Darlene Thompson provided a report for the Board’s review and consideration. Following discussion it moved by Board Member Postlewaite, seconded by Board Member Hess and unanimously carried 5 to 0 to adopt Resolution 2016-10 as presented.

Darlene Thompson provided a report for the Board’s review and consideration. Following discussion it moved by Board Member Nunes, seconded by Board Member Beck and unanimously carried 5 to 0 to adopt Resolution 2016-11 as presented.

9. Chairperson and Board Members’ Items of Interest

Chairperson and Board Members

10. Adjournment

5:42 p.m.

In compliance with the Americans with Disabilities and Brown Act, if you need special assistance to participate in the meeting, including the receipt of the agenda and documents in the agenda package in an alternate format, please contact the City Clerk’s Office (559) 684-4200. Notification 48-hours prior to the meeting will enable the Successor Agency to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35. 102-35, 104 ADA Title II), and allow for the preparation of documents in the appropriate alternate format.

TO: Tulare Redevelopment Successor Agency Oversight Board

FROM: General Counsel Successor Agency

DATE: November 16, 2016

RE: Adopt OSB Resolution 2016-13 approving the sale of Property No. 3 in the City of Tulare's Long Range Property Management Plan ("LRPMP") (APN 175-220-010) to the City of Tulare for the amount of \$30,000, have the Chair or Vice Chair of the Oversight Board execute the PSA and for a designee of the Board to open escrow on the property sale.

BACKGROUND

On November 15, 2016, the Successor Agency approved resolution 2016-XX approving the sale of a parcel located at 820 Wright Way, known as Property No. 3 in the City of Tulare's Long Range Property Management Plan ("LRPMP") (APN 175-220-010) to the City of Tulare ("City") for the amount of \$30,000 and the terms of a Purchase Sales Agreement ("PSA").

Pursuant to Health and Safety Code (HSC) section 34191.5, each successor agency is required to submit an LRPMP and any accepted offers for purchase of its property to its Oversight Board and the California State Department of Finance ("DOF") for approval. The LRPMP describes the disposition and use of real properties owned by the former redevelopment agency.

Property No. 3, located at 820 Wright Way in the City of Tulare, is designated for sale on the LRPMP. The vacant lot is currently zoned residential and sits on the corner of Wright Way and Bardsley Avenue. The proposed purchase price is based on market comparables in a broker opinion of value prepared by Craig Smith & Associates, Inc. dated October 2016 indicating a value of the property to be \$30,000. A purchase and sale agreement (PSA) was drafted to incorporate the terms of sale.

The City plans to build a water well on the property. Reports indicate the need for additional wells and water storage facilities in the City. The feasibility and suitability of the site, along with the quality and availability of water, is to be determined. However, due to its ideal location adjacent to an area identified as favorable for the construction of a new water facility.

Proceeds from the sale of Successor Agency LRPMP properties will either be distributed to the local taxing entities through the dissolution process or, if needed, used to pay for enforceable obligations on the Recognized Obligation Payment Schedule

If the Oversight Board objects to the recommendation, the Successor Agency will continue to entertain new offers, review current offers, or consider an alternative recommendation by the board.

RECOMMENDATION

Adopt OSB Resolution 2016-13 approving the sale of Property No. 3 in the City of Tulare's Long Range Property Management Plan ("LRPMP") (APN 175-220-010) to the City of Tulare for the amount of \$30,000, have the Chair or Vice Chair of the Oversight Board execute the PSA and for a designee of the Board to open escrow on the property sale.

OSB RESOLUTION 16-13

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE TULARE REDEVELOPMENT AGENCY APPROVING THE SALE OF PROPERTY NO. 3 IN THE CITY OF TULARE'S LONG RANGE PROPERTY MANAGEMENT PLAN (APN 175-220-010) TO THE CITY OF TULARE FOR THE AMOUNT OF \$30,000 AND AUTHORIZE THE BOARD CHAIR OR VICE CHAIR TO EXECUTE SAME AND ANY ESCROW/CLOSING DOCUMENTS RELATED THERETO

WHEREAS, the Tulare Redevelopment Agency ("Agency") was engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code ("HSC") Section 33000, et seq.) ("CRL"); and

WHEREAS, in response to the Governor's State budget for Fiscal Year 2011-2012, the California legislature passed Assembly Bill ("AB") x1 26, which included the elimination of redevelopment agencies and the dissolution of the Agency "to realign the delivery of state services to counties and local governments;" and

WHEREAS, the City of Tulare elected to serve as the Successor Agency to the Agency ("Successor Agency"), a separate body politic responsible for the Agency's obligations and required to implement the dissolution of the Agency; and

WHEREAS, in accordance with HSC Section 34180, the Oversight Board of the Successor Agency to the Tulare Redevelopment Agency ("Oversight Board") is authorized and required to review and approve actions taken by the Successor Agency; and

WHEREAS, on November 15, 2016 the Successor Agency to the Tulare Redevelopment Agency approved the Sale of Property No. 3 in the City of Tulare's Long Range Property Management Plan ("LRPMP") (APN 175-220-010) to the City of Tulare for the amount of \$30,000, authorizing the Interim City Manager or designee to execute all related documents

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency to the Tulare Redevelopment Agency as follows:

Section 1. **Recitals.** The Recitals set forth above are true and correct and incorporated herein.

Section 2. **Findings.** The Oversight Board hereby finds and determines, based on the Recitals set forth above and the information made available in the staff report accompanying this Resolution, the oral presentation of the Successor Agency and Tulare City staff, and all other written and oral evidence presented to the Oversight Board, that the Successor Agency to the Tulare Redevelopment Agency's approval of the Purchase and Sale Agreement and all escrow documents related to 820 Wright Way (APN 175-220-010) is necessary and is hereby approved by the Oversight Board.

BE IT FURTHER RESOLVED that the Oversight Board of the Successor Agency to the Tulare Redevelopment Agency approves the appointment of the Tulare City Manager as agent of the Successor Agency to the Tulare Redevelopment Agency to conduct all negotiations, execute and submit all documents, including but not limited to applications, agreements, amendments, payment requests, and so on, which may be necessary for the completion of the aforementioned project.

PASSED, APPROVED AND ADOPTED at a meeting of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Tulare, on the **16th** day of **November, 2016**.

Chair of the Oversight Board of the Successor Agency to the Tulare Redevelopment Agency

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Roxanne Yoder, Chief Deputy City Clerk of the City of Tulare, Oversight Board Secretary, certify the foregoing is the full and true Resolution 2016-13 passed and adopted by the Oversight Board of the Successor Agency to the Tulare Redevelopment Agency at a special meeting held on November 16, 2016, by the following vote:

Aye(s) _____

Noe(s) _____ Absent/Abstention(s) _____.

Dated:

OVERSIGHT BOARD SECRETARY

Roxanne Yoder

PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS 820 Wright Way, City of Tulare

This PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS (“PSA” or “Agreement”), dated for reference purposes only as of **November ____, 2016**, is by and between the City of Tulare, a municipal corporation, as Successor Agency to the Tulare Redevelopment Agency (“Successor Agency” or “Seller”), and the City of Tulare (“City” or “Purchaser”). The Successor Agency and the City shall be deemed as separated legal entities. Seller and Purchaser are referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. Seller is the fee owner of approximately 42,661 square feet of real property located at 820 Wright Way in the City of Tulare, Tulare County, California, described as Assessor’s Parcel Number 175-220-010 and more particularly described in the Legal Description attached hereto as Exhibit A, attached hereto and incorporated herein, including all improvements located thereon (“Property”); and all rights, privileges, easements and appurtenances to the Property, if any, including, without limitation, all of Seller’s right, title and interest, if any, in and to all minerals, oil, gas and other hydrocarbon substances, development rights and water stock relating thereto; and all of Seller’s right, title and interest in and to any easements and other appurtenances used or connected with the beneficial use or enjoyment of the Property together with Seller’s interest in and to any architectural, site, landscaping, or other permits, applications, development rights or agreements, licenses, approvals, certificates, authorizations and other entitlements, will serve letters, transferable guarantees and warranties covering the Property, all contract rights (including rights under the Service Contracts as hereinafter defined), books, records, reports, test results, environmental assessments, as-built plans, specifications and other similar documents and materials relating to the use or operation, maintenance or repair of the Property or the construction or fabrication thereof, and all transferable utility contracts relating to the Property, to the extent assignable and accepted by Purchaser.

B. In December 2011, a California State Supreme Court ruling on the constitutional validity of two 2011 legislative budget trailer bills, Assembly Bill (“AB”) X1 26 (Chapter 5, Statutes of 2011) and ABX1 27 (Chapter 6, Statutes of 2011), resulted in the outright elimination of all 425 redevelopment agencies in the State of California. The dissolution procedures under ABX1 26 include a process for the disposition and/or transfer of assets, including property holdings of former redevelopment agencies. Subsequent legislation, AB 1484 (Chapter 26, Statutes of 2012), which was passed, signed, and enacted on June 28, 2012, made significant changes to the provisions of ABX1 26, including the process for asset management/disposition/transfers. Senate Bill (“SB”) 107, which was signed by the Governor on September 22, 2015 also made changes to the property disposition provisions of ABX1 26 and AB 1484. All three pieces of legislation are herein referred to as the Dissolution Act.

C. Under the Dissolution Act, the Property is subject to the disposition process requiring the California State Department of Finance (“DOF”) to approve a Long-Range

Property Management Plan (“PMP”) prepared by the Successor Agency describing the proposed sale of properties owned by the Successor Agency, including the Property.

D. Seller desires to sell, and Purchaser desires to purchase, the Property, all in accordance with the terms set forth below.

TERMS & CONDITIONS

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, Seller and Purchaser agree as follows:

1. **Sale.** On the terms contained herein and subject to the conditions of this PSA, Purchaser hereby agrees to purchase from Seller, and Seller agrees to sell to Purchaser the Property, on the Closing Date, as defined in Section 12.

2. **Acceptance.** Following Oversight Board approval, Seller shall accept and execute this PSA (“Acceptance”). The PSA shall be deemed accepted upon approval by the Oversight Board and full execution by both Seller and Purchaser.

3. **Opening of Escrow.** Within three (3) business days of Acceptance, the parties shall open an escrow (“Escrow”) with Escrow Holder by causing an executed copy of this PSA to be deposited with Teresa Alves, Escrow Officer, Chicago Title Insurance Company, 164 N M St, Tulare, CA 93274, Telephone: (559) 686-8684, Email: talves@ctt.com (“Escrow Holder”). Escrow shall be deemed open on the date that a fully executed copy of this PSA is delivered to Escrow Holder and accepted by Escrow Holder as evidenced by Escrow Holder’s execution of this PSA (“Opening of Escrow”).

4. **Payment of Purchase Price and Deposit.** The purchase price for the Property (“Purchase Price”) shall be in the amount of Thirty-Thousand and 00/100 Dollars (\$30,000.00). City agrees to pay to Successor Agency, and Successor Agency agrees to accept from City, as and for the full purchase price for said real property, fixtures & equipment, improvements pertaining to the realty, severance damages, and relocation claims pursuant to Government Code §7260 et. seq., the total sum of Thirty Thousand and 00/100 Dollars (\$30,000.00). City agrees to deposit Five Thousand and 00/100 Dollars (\$5,000.00) in escrow with the Escrow Agent within five (5) days from and after the Opening of Escrow as defined in Section 3. The Escrow Holder is hereby authorized to pay the same to Agency upon and after: (a) Conveyance of said real property by Agency to City as hereinabove provided; (b) Acceptance by City of a Grant Deed conveying said real property to City; (c) Delivery to City of the policy of title insurance as hereinabove provided; (d) Recordation of the Deed conveying said real property to City.

5. Closing Deliveries to Escrow Holder.

5.1 **By Seller.** Seller hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder within one (1) Business Day prior to the Closing Date the following documents:

5.1.1 **Deed.** An executed grant deed in the form attached hereto as Exhibit B (“Deed”).

5.1.3 Closing Statement. An executed settlement statement reflecting the pro-rations and adjustments required under Section 10.

5.1.4 Closing Documents. Any additional tax forms, recordation forms, 1099s or other documents as may be reasonably required by the Escrow Holder or the Title Company to consummate the transaction contemplated by this Purchase and Sale Agreement.

5.1.5 Cash Pro-rations. The amount, if any, required of Seller under Section 10.

5.2 By Purchaser. Purchaser hereby covenants and agrees to deliver or cause to be delivered to Escrow Holder on or prior to the Closing Date the following instruments and documents, the delivery of each of which shall be a condition precedent to the Closing for the benefit of Seller.

5.2.1 Purchase Price. Purchaser shall deliver to Escrow Holder the Purchase Price in accordance with Section 4.

5.2.2 Preliminary Change of Ownership Report. Purchaser shall deliver to Escrow Holder a Preliminary Change of Ownership Report completed in the manner required in Tulare County.

5.3 Additional Closing Items. Each party shall also execute and deliver to the Escrow Holder such documents, certificates and instruments as may customarily be required in transactions of this type. The items required to be submitted to the Escrow Holder pursuant to this Section and Sections 5.1 and 5.2 are referred to herein collectively as the "Closing Items."

6. **Title**. As evidence of title, within five (5) days of the Opening of Escrow, or as soon thereafter as is reasonably practical, the Seller shall deliver to the Purchaser a commitment for an owner's policy of title insurance with standard exceptions ("Title Insurance Commitment") issued by David Tibbs, Email: david.tibbs@titlegroup.fntg.com, from Chicago Title Insurance Company, 164 N M St, Tulare, CA 93274, Telephone: (559) 686-8684, ("Title Company"), in the amount of the Purchase Price (or such amount as required by Purchaser), dated no later than the Opening of Escrow, and guaranteeing the title in the condition required for performance of this PSA, together with copies of all documents shown in the commitment as affecting title ("Title Documents") and a scaled and dimensioned plot showing the location of any easements on the Property.

The Purchaser shall have thirty (30) days from receipt of the Title Insurance Commitment and Title Documents to inspect the state of the title and matters affecting title, and to object to the matters shown thereby. Failure to object in writing within the above period shall constitute a waiver of the Purchaser's objections to title. If the Purchaser objects to any matter disclosed by the Title Insurance Commitment or Title Documents, then the Seller shall have ten (10) Business Days from the date it is notified in writing of the particular defects claimed, to elect, in its reasonable discretion, either: (1) to remedy the title defect that is the subject of the Purchaser's objection, or (2) not remedy the title defect that is the subject of the Purchaser's objection, at Seller's option: Seller's election shall be communicated in writing to Purchaser. If Seller elects

not to remedy such title defect, then Purchaser shall have two (2) Business Days following receipt of Seller's notification under the preceding sentence to elect to either (x) waive its title objection and accept title subject to the alleged title defect, or (y) terminate this PSA.

Seller may cure any title objection that may be cured by the payment of a sum certain (such as existing mortgages, land contracts and other liens) by paying or depositing that sum at Closing.

Notwithstanding the foregoing, Purchaser hereby objects to all liens evidencing monetary encumbrances (other than liens for non-delinquent general real property taxes to be paid by Purchaser under this PSA) and Seller agrees to cause all such liens to be eliminated at Seller's sole cost (including all prepayment penalties and charges) prior to the Closing Date. At the Closing, Seller will provide the Title Company with a commercially reasonable owner's affidavit, which will include a representation by the Seller (if accurate as of the Closing) that will allow the Title Company to issue an endorsement to Purchaser's title policy against potential mechanic's and materialmen's liens; provided, however that if such representation is not accurate, Seller will work with the Title Company to provide alternative assurances to allow the Title Company to issue to Purchaser such lien endorsement at the Closing.

Notwithstanding anything to the contrary contained in this PSA, if, at any time prior to the Closing, any updates to the Title Insurance Commitment are received by Purchaser, Purchaser shall have ten (10) Business Days (regardless of the date) following Purchaser's receipt of such update and legible copies of all underlying documents referenced therein (that were not referenced in the Title Documents previously provided to Purchaser) to notify Seller of objections to items on any such updates ("Title Updates"). Purchaser, at its sole election, may hire a land surveyor for preparing an ALTA survey for the Property (the "Survey"). Notwithstanding the foregoing, Purchaser shall have ten (10) Business Days after receipt of the Survey to object to any matters of survey in writing to Seller, in which event the procedure set forth in this Section shall apply to such Survey objections.

7. **Possession.** Unless this PSA is earlier terminated pursuant to the terms hereof, the Seller shall deliver and the Purchaser shall accept possession of the Property on the Closing Date, without any rights of tenants or any other party in possession.

8. **Conditions to Closing.** Seller's obligation to sell and Purchaser's obligation to purchase the Property shall be subject to and expressly conditioned upon satisfaction (or waiver) of the following conditions precedent to the Closing set forth in Sections 8.1 and 8.2.

8.1 Department of Finance Approval. Purchaser acknowledges that this transaction and agreement shall be contingent upon the approval of the California State DOF ("Final Approval Date"). Seller shall give Purchaser prompt written notice once the Final Approval Date has occurred. Purchaser shall have the right to terminate this PSA by written notice to the Seller if DOF approval is not obtained by the Seller within three hundred sixty-five (365) days following the Opening of Escrow.

8.2 Suitability Testing. All Parties acknowledge that this transaction and agreement shall be contingent upon passing a test ("Suitability Test") to determine whether the

site meets certain requirements including but not limited to State mandated standards. The Suitability Test and results analysis will take approximately forty-two (42) days to complete. Purchaser shall have the right terminate this PSA by written notice to the Seller if the Suitability Test yields a negative finding, indicating that the site is not suitable for a water storage facility, as determined by a hydrogeologist.

9. Purchaser's Contingencies, Contingency Period, Survey and Development Approvals. Within ninety (90) calendar days following the Opening of Escrow (the "Contingency Period"), Purchaser shall have the right to perform and to seek all necessary investigations, inspections and approvals necessary to develop and operate the Project at the Property, as described in Sections 9.1, 9.2, and 9.3:

9.1 Review and Approval of Documents and Materials. Within ten (10) days of the Opening of Escrow, Seller shall deliver to Purchaser any and all documents, reports, surveys, environmental assessments, engineering reports, building plans and blueprints for the Property and other materials in Seller's possession or under its control or that of its agents, respecting the Property, including any Hazardous Substance Conditions Report concerning the Property and relevant adjoining properties, any Natural Hazard Zone Disclosure Report, and all lease agreements relating to any tenant or occupant then occupying the Property (collectively, "Materials"). During the Contingency Period, Purchaser may review and evaluate the Materials to determine whether the Property is appropriate for Purchaser's proposed use, in its sole discretion.

9.2 Purchaser's Due Diligence & Survey. During the Contingency Period or Extended Contingency Period, the Purchaser and its agents may, at the Purchaser's sole expense, conduct tests and physical inspections of the property, including building inspections and environmental site assessments desired by the Purchaser. Purchaser shall also conduct such investigations about zoning, building codes, and availability of permits and approvals for its intended construction and use of the Property, as it deems prudent in its sole discretion. Purchaser shall restore the Property to the condition that it was in prior to those tests and inspections and shall indemnify, defend and hold Seller harmless from all damages, costs, loss, expense (including attorney fees) and liability resulting from Purchaser's activities, acts and omissions on the Property. Notwithstanding anything to the contrary contained in this PSA, (i) the defense, indemnity, and hold harmless provision contained in this Section shall not apply to the extent such liabilities arise in connection with the negligence or willful misconduct of Seller, its employees, agents, contractors, licensees or invitees and (ii) provided further that Purchaser shall have no liability to Seller or to its employees, agents or contractors by reason of, nor shall Purchaser have any duty to indemnify, defend or hold any person or entity harmless from or against, any liabilities, including, without limitation, any claim for diminution in value of the Property or for environmental remediation or clean-up costs, resulting directly from Purchaser having merely discovered and/or reported (to the extent required by applicable law) any adverse physical condition, title condition, environmental condition or other defect with respect to the Property. The foregoing provisions shall survive the Closing or any termination of this PSA. Purchaser shall notify Seller in advance of its desire to conduct any inspections at the Property to give Seller adequate opportunity to make reasonable arrangements with the tenant in possession (if any). During the Contingency Period or Extended Contingency Period, the Purchaser shall have the right, but not the obligation, to cause a Survey of the Property at its own

expense. The Survey report shall also: (1) be certified to the Purchaser and (2) be prepared and sealed by a registered California Property Surveyor. Copies of any final non-privileged, non-attorney-client work product reports and/or surveys prepared pursuant to this PSA shall be delivered to Seller. Purchaser shall not be liable for reports/Survey and said reports/Survey are provided to the Seller for reference purposes only.

9.3 Purchaser's Objections. Purchaser shall have the right at any time on or before the expiration of the Contingency Period to terminate this PSA if, during Purchaser's due diligence investigations of the Property and in connection with its obtaining of the Approvals, Purchaser determines in its sole and absolute discretion that the Property is not acceptable to Purchaser. Purchaser has termination rights during the Extended Contingency Periods as described in Section 9.4.

9.4 Extended Contingency Period. Notwithstanding anything contained herein to the contrary, if Purchaser has been diligently pursuing its due diligence investigations of the Property and obtaining the Approvals, Purchaser and Seller shall extend the Contingency Period (each, an "Extended Contingency Period") by Purchaser notifying the Seller of its desire to do so before the prior Contingency Period or Extended Contingency Period, as applicable, has lapsed. Upon the exercise of an Extended Contingency Period, all references in this PSA to "Contingency Period" shall be deemed to include the exercised Extended Contingency Period.

(a) Each Extended Contingency Period is also referred to herein individually as an "Extended Contingency Period" and collectively as "Extended Contingency Periods."

9.5 Termination Notice. Purchaser may exercise Purchaser's termination rights pursuant to Sections 9.3 and 9.4 by delivering written notice of termination to Seller and Escrow Agent (a "Termination Notice") on or before the expiration of the Contingency Period or Extended Contingency Period, as applicable. Upon the timely delivery of such Termination Notice, this PSA shall automatically terminate and be of no further force or effect and neither party shall have any further rights or obligations hereunder.

9.6 Disclaimer of Warranties. Purchaser shall acquire the Property in its "AS IS" condition and shall be responsible for all defects in the Property, whether patent or latent, including, without limitation, the physical, environmental, and geotechnical condition of the Property, and the existence of any contamination, hazardous materials, vaults, debris, pipelines, wells, or other structures located on, under or about the Property. Except as expressly set forth in this PSA, Seller makes no representation or warranty concerning the physical, environmental, geotechnical or other condition of the Property. Purchaser acknowledges that, once Purchaser obtains title to the Property, any liability of the Seller for the environmental condition of the Property shall be extinguished, and that Seller shall have no liability for remediating any environmental condition of the Property. Purchaser shall indemnify Seller against any claim or liability relating to the environmental condition of the Property; provided, however, that Seller shall remain liable for (1) any hazardous materials released into the Property while Seller owned the Property, (2) any third party claim that arose during Seller's ownership of the Property; (3) Seller's fraud or willful misconduct about this PSA; and (4) breach of Seller's Representation and Warranties. The foregoing indemnity obligation shall survive the Closing.

10. **Prorated and Adjusted Items.** The following items shall be prorated and/or adjusted as follows:

10.1 Taxes. Escrow is not to be concerned with proration of Seller's taxes for the current fiscal year. Seller and Purchaser are public agencies and therefore exempt from the payment of property taxes.

10.2 Other Costs. Seller shall pay all water, sewer, telephone, and all other applicable utility charges incurred on or before the Closing Date with respect to the Property. After the Closing, Purchaser shall pay all such charges. Seller shall pay the applicable transfer taxes, the cost of recording any curative instruments and the cost of a CLTA standard coverage owner's title policy. Purchaser shall pay the cost of recording the Deed conveying title to the Property, the costs associated with Purchaser's financing, the cost of any extended coverage or ALTA owner's title policy and the cost of any title endorsements. Escrow fees shall be shared equally by the parties. Each party shall pay its own legal fees.

11. **Default.**

11.1 PURCHASER'S DEFAULT. IF PURCHASER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT DUE TO ANY UNCURED MATERIAL DEFAULT OF PURCHASER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), SELLER SHALL BE RELEASED FROM ITS OBLIGATION TO SELL THE PROPERTY TO PURCHASER. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY SELLER BECAUSE OF SUCH DEFAULT BY PURCHASER, AND AGREE THAT THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IF PURCHASER BREACHES THIS AGREEMENT BY DEFAULTING IN THE COMPLETION OF THE PURCHASE, THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF SELLER, AND SHALL BE PAID BY PURCHASER TO SELLER AS SELLER'S SOLE AND EXCLUSIVE REMEDY. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 24 AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, SELLER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST PURCHASER WHICH SELLER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BECAUSE OF SUCH DEFAULT BY PURCHASER. THE PAYMENT OF THE DEPOSIT (INCLUDING ALL INTEREST ACCRUED THEREON) AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: _____

11.2 SELLER'S DEFAULT. IF SELLER FAILS TO COMPLETE THE SALE OF THE PROPERTY AS PROVIDED IN THIS AGREEMENT BY REASON OF ANY

MATERIAL DEFAULT OF SELLER (AND NOT DUE TO A FAILURE OF A CONDITION PRECEDENT), PURCHASER MAY EITHER (I) PROCEED AGAINST SELLER BY BRINGING AN ACTION FOR SPECIFIC PERFORMANCE UNDER THIS AGREEMENT WITHOUT ANY RIGHT TO SEEK DAMAGES OF ANY KIND OR NATURE, OR (II) TERMINATE THIS AGREEMENT IN WHICH EVENT THE INITIAL DEPOSIT AND ANY ADDITIONAL DEPOSITS SHALL BE RETURNED TO PURCHASER AND SELLER WILL REIMBURSE PURCHASER FOR ITS OUT-OF-POCKET COSTS RELATING TO THIS TRANSACTION AND INCURRED AS OF THE DATE OF SELLER'S DEFAULT UP TO A MAXIMUM THE AMOUNT DEPOSITED OF \$5,000.00. PURCHASER AND SELLER HEREBY ACKNOWLEDGE AND AGREE THAT IT WOULD BE IMPRACTICAL AND/OR EXTREMELY DIFFICULT TO FIX OR ESTABLISH THE ACTUAL DAMAGE SUSTAINED BY PURCHASER BECAUSE OF SUCH MATERIAL DEFAULT BY SELLER AND AGREE THAT THE REMEDY SET FORTH IN CLAUSE (II) ABOVE IS A REASONABLE APPROXIMATION THEREOF. ACCORDINGLY, IN THE EVENT THAT SELLER BREACHES THIS AGREEMENT BY MATERIALLY DEFAULTING IN THE COMPLETION OF THE SALE, AND PURCHASER ELECTS NOT TO EXERCISE THE REMEDY SET FORTH IN CLAUSE (I) ABOVE BUT INSTEAD ELECTS THE REMEDY SET FORTH IN CLAUSE (II) ABOVE, SUCH SUMS SHALL CONSTITUTE AND BE DEEMED TO BE THE AGREED AND LIQUIDATED DAMAGES OF PURCHASER WHICH IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO PURCHASER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. EXCEPT FOR ATTORNEYS' AND OTHER FEES RECOVERABLE PURSUANT TO SECTION 24 BELOW AND ITS RIGHTS TO BE INDEMNIFIED AS PROVIDED IN THIS AGREEMENT, PURCHASER AGREES TO AND DOES HEREBY WAIVE ALL OTHER REMEDIES AGAINST SELLER WHICH PURCHASER MIGHT OTHERWISE HAVE AT LAW OR IN EQUITY BECAUSE OF SUCH DEFAULT BY SELLER.

SELLER'S INITIALS: _____ PURCHASER'S INITIALS: _____

12. **Closing.** Consummation of this sale and purchase ("Closing") shall take place within five (5) days following the waiver of all contingencies or expiration of the Contingency Period, as it may be extended by one or more Extended Contingency Periods, unless this PSA has been duly and timely terminated pursuant to the provisions of this PSA. Closing shall take place at the offices of the Escrow Holder and coordinated through their affiliate offices. As used herein, "Closing Date" means the date and time on which the Deed is recorded in the Official Records of the County of Tulare.

12.1 Outside Closing Date. In no event shall the Closing occur later than one hundred twenty (120) days following the Opening of Escrow (the "Outside Closing Date"). Notwithstanding Section 30.7 or any other provision of this PSA, the Outside Closing Date shall not be subject to extension for force majeure delays.

13. **Pre-Closing Covenants.** Between the date hereof and the Closing Date, unless otherwise consented to in writing by Purchaser, the Seller shall:

13.1 Maintain the Property in compliance with all applicable laws and in its present condition, reasonable wear and use excepted.

13.2 Not suffer or permit any new easements, encumbrances, liens or security interests to attach to the Property, or transfer or convey the Property or any portion or portions of the Property.

13.3 Not enter or amend any contracts or agreements pertaining to the Property, which would survive the Closing and be binding upon Purchaser.

13.4 Maintain hazard and liability insurance with respect to the Property, in amounts determined to be appropriate by Seller, in Seller's reasonable discretion.

14. **Risk of Loss.**

14.1 Condemnation. If before the Closing Date any action or proceeding is commenced for the condemnation or exercise of the rights of eminent domain with respect to the Property or any portion of the Property, or if Seller is notified by the duly authorized officer of a duly empowered condemning authority of the intent to commence such action or proceeding ("Condemnation") and if such Condemnation would materially and adversely affect the use or operation of the Property, have the effect of decreasing the square footage of the buildable area at the Property, or reduce or eliminate access to the Property, then Purchaser may either (a) terminate this PSA, or (b) proceed with the Closing without modifying the terms of this PSA and without reducing the Purchase Price, on the condition that Seller must assign and turn over, and Purchaser will be entitled to keep, all awards for the Condemnation that accrue to Seller; provided, however, if any award is rendered specifically to compensate Seller for Seller's lost goodwill, such an award shall belong to Seller. Seller may not negotiate, resist, or stipulate to any Condemnation without Purchaser's written consent. Seller must notify Purchaser of any notice of Condemnation of all or any portion of the Property within five (5) days after the receipt of such notice, and Purchaser must exercise its option(s) as provided in this Section within fifteen (15) days after receipt of such notice. If necessary, the Closing Date will be extended to give Purchaser the full 15-day period to make such election. Notwithstanding the foregoing, if any condemnation action is commenced prior to the Closing Date, Purchaser shall have the right to terminate this PSA and to receive the return of an amount equal to Purchaser's out-of-pocket costs incurred about this transaction.

14.2 Damage and Destruction. If before the Closing Date any damage or destruction of the Property, or any portion of it, occurs, then within three (3) days after determination of the amount of the Insurance Proceeds (defined below) to be received with respect to such loss, Purchaser must elect, by written notice to Seller, either to: (a) terminate this PSA; or (b) receive an assignment of the Insurance Proceeds with respect to such loss and proceed to Closing without any reduction in the Purchase Price (in which event the Closing shall occur within thirty (30) days after such election). If Purchaser shall fail to provide such written notice of election within ten (10) days after determination of the amount of the Insurance

Proceeds to be received with respect to such loss, then Purchaser shall be deemed to have elected to terminate this PSA. As used herein, "Insurance Proceeds" means the proceeds from all insurance maintained by Seller with respect to the Property and/or to such loss, including without limitation fire and casualty and liability insurance.

15. Representations and Warranties of Seller. Seller represents and warrants to Purchaser that, to Seller's actual knowledge, except as set forth or otherwise disclosed in this PSA, or in any exhibit to this PSA, or in any schedule of exceptions attached to this PSA:

15.1 This PSA has been duly authorized and executed on behalf of Seller. As of the Opening of Escrow, this PSA constitutes a valid and binding agreement, enforceable in accordance with its terms. As of the Opening of Escrow, Seller has obtained all consents, releases and permissions and has given all required notifications related to the transaction herein contemplated and required under any covenant, agreement, encumbrance, law or regulation to which Seller is a party or by which Seller is bound.

15.2 Seller is the fee simple owner of the Property. Seller is not a party to any contract, agreement or commitment to sell, convey, assign, transfer or otherwise dispose of any portion or portions of the Property.

15.3 Seller has not received notice of violation of any applicable law, ordinance, regulation, order or requirement relating to Seller's operation or use of the Property.

15.4 To Seller's actual knowledge: (i) neither the Property nor any part thereof is in breach of any environmental laws; (ii) no part of the Property has ever been used as a landfill, dump, toxic waste disposal site or storage area; (iii) there are no underground storage tanks at the Property, or, with respect to removed tanks, at the time of removal, any contaminated soil was removed; and (iv) the Property is free of any Hazardous Materials that would trigger response or remedial action under any environmental laws or any existing common law theory based on nuisance or strict liability. This warranty is limited to matters of which Seller has actual knowledge, and Purchaser acknowledges that Seller has not made any affirmative investigation as to environmental issues affecting the Property about this PSA. As used in this PSA, the term "Hazardous Material" means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material or waste or related materials, including any substance defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" now or subsequently regulated under any applicable federal, state or local laws or regulations, including without limitation petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons.

15.5 There is no litigation pending or to the actual knowledge of Seller, threatened, against or by Seller or the Property which relates to, or if decided adversely, could have a material adverse effect upon, the Property (including condemnation or similar proceedings).

15.6 Except as disclosed in writing to Purchaser by Seller as part of the Materials, there are no leases, licenses or other occupancy or use agreements, written or oral, in effect in which Seller has granted any party rights to possession or use of the Property or any portion thereof, nor has Seller given any party an option or right of first refusal to purchase any portion of the Property.

15.7 Except as disclosed in writing to Purchaser by Seller as part of the Materials, the Property is not subject to any operating, maintenance or repair contract or other agreements that will bind the Property or Purchaser after the Closing (“Service Contracts”).

15.8 Except as disclosed in the Materials, Seller has no actual knowledge of any violations of health, environmental or other applicable law, ordinance, code, order or regulation in any respect regarding the Property.

15.9 Seller is not aware of any inaccuracy or incompleteness of any of the documents, materials or reports contained in the Materials.

15.10 To Seller’s actual knowledge and except for matters of record as of the date hereof, there are no bonds or assessments or charges for any public improvements or utilities made against the Property which remain unpaid (or which will remain unpaid by Seller as of the Closing Date).

15.11 No representation, statement or warranty by Seller contained in this PSA or in any exhibit attached hereto contains or will contain any untrue statements or omits, or will omit, a material fact necessary to make the statement of fact therein recited not misleading. If, after Seller’s execution hereof and prior to the Closing, any event occurs or condition exists of which Seller becomes aware which renders any of the representations contained herein untrue or misleading, Seller shall promptly notify Purchaser in writing. All representations and warranties contained in this PSA shall be deemed remade as of the Closing Date, except in the event of a change in circumstances not within the control of Seller affecting any representations or warranties set forth herein, in which case Seller shall provide written notice to Purchaser regarding such changed circumstances within a reasonable time following such change (not to exceed five (5) Business Days following the date the City Manager/City Clerk obtains actual knowledge of the changed circumstance), and prior to the Closing. As used herein, “actual knowledge” of Seller refers to the actual knowledge of Seller’s employees and agents directly involved in the negotiation and/or drafting of this PSA, those responsible for the acquisition or maintenance of the Property, the City’s Legal Counsel and the City Clerk.

16. **Assignment.** This Purchase and Sale Agreement shall not be assigned by any party hereto to any person or entity without the express written consent of Seller. In the event of an assignment of Purchaser’s interests under this PSA, the assignee shall agree in writing to assume and be bound by the terms and provisions hereof, in which event any assignment will not release Purchaser from any of its obligations hereunder, until the Closing at which point Purchaser’s assignee shall be responsible for all obligations of Purchaser hereunder.

17. **Business Days.** As used herein, the term “Business Days” refers to Monday through Friday, excluding holidays on which the City of Tulare or Seller are closed for business.

18. **Binding Effect.** The covenants herein shall bind and inure to the benefit of the executors, administrators, successors and assigns of the respective parties.

19. **Brokers.** Purchaser and Seller each represents and warrants to the other that it has not engaged the services of any real estate broker, salesperson, agent or finder, nor done any other act nor made any statement, promise or undertaking, which would result in the imposition of liability for the payment of any real estate brokerage commission, finder's fee or otherwise about the transaction described in this PSA. If any person or entity perfects a claim for a brokerage commission, finder's fee or otherwise, based upon any agreement, statement or act, the Party through whom such person or entity makes such a claim shall be responsible therefor and shall defend, indemnify and hold the other Party and the property harmless from and against such claim and all loss, costs and expense associated therewith, including attorneys' fees. No commission shall be paid because of this transaction.

20. **Integration; Merger; Amendment; Survival of Representations.** Seller and Purchaser have not made any covenants, warranties, or representations not set forth in this PSA. This PSA constitutes the entire Agreement between the parties. Except as otherwise provided herein, all representations, warranties and covenants set forth in this PSA shall survive closing. This instrument shall as to all prior drafts or forms exchanged between the parties or executed by the parties, be the sole effective instrument between them as to the provisions set forth in this PSA. None of the terms and provisions hereof shall be altered or amended unless in writing and signed by the parties.

21. **Execution in Counterparts and by Fax/Email.** This document may be validly executed and delivered by facsimile transfer/e-mail and/or portable document format (collectively, "Electronic Copy"). Any signer who executes this document and transmits this document by Electronic Copy intends that the Electronic Copy of their signature is to be deemed an original signature for all purposes. Any such Electronic Copy printout and any complete photocopy of such Electronic Copy printout are hereby deemed to be an original counterpart of this document. This PSA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **Notices.** All notices shall be in writing and delivered personally, by overnight air courier service, by facsimile transmission or email, or by U.S. certified or registered mail, return receipt requested, postage prepaid, to the parties at their respective addresses set forth below, and the same shall be effective upon receipt if delivered personally, one (1) Business Day after depositing with an overnight air courier, or two (2) Business Days after depositing in the mail immediately, upon transmission (as confirmed by electronic confirmation of transmission generated by the sender's machine) for any notice given by facsimile or email:

If to Seller: City of Tulare
 411 East Kern Ave.
 Tulare, CA 93274
 Attn: Paul Melikian, Interim City Manager
 Fax: (559) 366-1701
 Email: pmelikian@tulare.ca.gov

with a copy to: Law Offices of David Hale
401 Clovis Ave Ste 208
Clovis, CA 93612
Attn: David Hale, Legal Counsel
Email: DavidHale@dphlawoffice.com

If to Purchaser: City of Tulare
411 East Kern Ave.
Tulare, CA 93274
Attn: Paul Melikian, Interim City Manager

23. **Governing Law.** This PSA shall be construed per the laws of the State of California.

24. **Attorney's Fees.** In the event any action or suit is brought by a party hereto against another party hereunder by reason of any breach of any of the covenants, agreements or provisions on the part of the other party arising out of this PSA, then in that event the prevailing party shall be entitled to have and recover from the other party all costs and expenses of the action or suit, including actual attorneys' fees, expert witness fees, accounting and engineering fees, and any other professional fees resulting therefrom.

25. **Expenses.** Seller and Purchaser shall pay their respective expenses and costs in connection with the preparation of this PSA and other agreements and documents related to this PSA and the transactions contemplated herein.

26. **Severability.** If any term of this PSA is held by a court of competent jurisdiction to be invalid or unenforceable, then this PSA, including all the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

27. **Construction.** In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this PSA, no uncertainty or ambiguity shall be construed or resolved against a party under any rule of construction, including the party primarily responsible for the drafting and preparation of this PSA. Headings used in this PSA are provided for convenience only and shall not be used to construe meaning or intent. As used in this PSA, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates

28. **Qualification; Authority.** Each individual executing this PSA on behalf of a party which is an entity, represents, warrants and covenants to the other party that (a) such person is duly authorized to execute and deliver this PSA on behalf of such entity in accordance with authority granted under the organizational documents of such entity, and (b) such entity is bound under the terms of this PSA.

29. **Counterparts.** This PSA may be executed in any number of counterparts, each of which shall be deemed an original but all of which shall be deemed but one and the same instrument, and a facsimile or e-mailed PDF copy of such execution shall be deemed an original.

30. **Miscellaneous.**

30.1 Execution of Documents. The parties agree to execute such instructions to Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this PSA.

30.2 Inducement. The making, execution and delivery of this PSA by the parties hereto have been induced by no representations, statements, warranties or agreements other than those expressly set forth herein.

30.3 Incorporation of Exhibits. The exhibits attached hereto are incorporated herein by reference.

30.4 Relationship of Parties. Notwithstanding anything to the contrary contained herein, this PSA shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

30.5 Survival of Warranties. It is the express intention and agreement of the parties to this PSA that all covenants, representations and warranties made by Seller in this PSA shall survive this PSA, the recordation of the Deed and the Closing for a period of twelve (12) months.

30.6 Limitation of Liability. The parties agree that neither the holders of beneficial interests nor the trustees, officers, members, employees or agents of either party or any assignee or affiliate of either party shall be personally liable under the PSA and all parties hereto shall look solely to the assets of the entity, for the payment of any claim or the performance of any obligation of either under this PSA.

30.7 Force Majeure. If either Party is delayed or prevented from performing any act required in this PSA by reason of any event beyond the reasonable control of either Party, including without limitation, by labor disputes, fire, unusual delay in deliveries, weather or acts of God, terrorism, delay in the issuance of permits or approvals, acts of governmental entities, unavoidable casualties or any other such causes beyond such Party's control, then the time herein fixed for completion of such obligation(s) shall be extended by the number of days that such Party has been delayed.

31. **Waiver of Jury Trial.** THE PARTIES HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING INVOLVING THE PROPERTY OR ARISING OUT OF THIS AGREEMENT.

32. **Independent Review.** The Parties have had the opportunity to obtain, and have obtained, independent legal or other professional advice regarding this PSA. The Parties acknowledge that the terms of this PSA have been read and fully explained and that those terms are fully understood and voluntarily accepted.

33. **Voluntary Agreement.** The Seller and Purchaser represent that they have read this PSA in full and understand and voluntarily agree to all its provisions. Both the Seller and Purchaser further declare that, prior to signing this PSA, they availed themselves of relevant data, through sources of their own selection, including a legal representative, in deciding whether to execute this Agreement.

34. **Entire Agreement.** This PSA constitutes the final agreement between the Parties. It is the complete and exclusive expression of the Parties' agreement on the matters contained in this PSA. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this PSA are expressly merged into and superseded by this PSA. In entering this PSA, neither Party has relied upon any statement, representation, warranty, or agreement of the other Party except for those expressly contained in this PSA. There are no conditions precedent to the effectiveness of this PSA other than those expressly stated in this Agreement.

35. **Amendments.** This PSA may not be amended or modified except in writing signed by the Purchaser and Seller.

36. **Third Parties.** This PSA does not and is not intended to confer any rights or remedies upon any party other than the Parties.

37. **Interpretation.** This PSA shall be construed as to its fair meaning and not strictly for or against either Party. The headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

[Signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

SELLER:

CITY OF TULARE,
a California municipal corporation, as Successor
Agency to the Tulare Redevelopment Agency

Paul Melikian, Interim City Manager

ATTEST:

Roxanne Yoder, Deputy City Clerk

APPROVED AS TO FORM:

David Hale, Legal Counsel

PURCHASER:

CITY OF TULARE,
a California municipal corporation

By: _____
Paul Melikian, Interim City Manager

EXHIBIT A

LEGAL DESCRIPTION

For APN/Parcel ID(s): 175-220-10

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF TULARE, COUNTY OF TULARE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 10, TOWNSHIP 20 SOUTH, RANGE 24 EAST, MOUNT DIABLO BASE AND MERIDIAN, COUNTY OF TULARE, STATE OF CALIFORNIA; THENCE NORTH ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 10, 234.4 FEET, SAID POINT BEING THE SOUTHWEST CORNER OF THE LAND CONVEYED TO C. F. GELLER AND NETTIE GELLER, HIS WIFE, BY DEED DATED MARCH 11, 1947; THENCE EAST ALONG THE SOUTH LINE OF THE LAND SA CONVEYED TO C. F. GELLER AND WIFE, AND ALONG THE SOUTH LINE OF THE PROPERTY CONVEYED TO ESTHER MCCOY A SINGLE WOMAN, BY DEED DATED FEBRUARY 28, 1949, AND RECORDED MARCH 25, 1949 IN BOOK 1353, PAGE 569 OF OFFICIAL RECORDS 276 FEET TO THE SOUTHEAST CORNER OF THE LAND SO CONVEYED TO ESTHER MCCOY; THENCE NORTH ALONG THE EAST LINE OF THE LAND SO CONVEYED TO ESTHER MCCOY; 179 FEET MORE OR LESS, SAID POINT BEING IN THE SOUTH LINE OF CEDAR STREET, THENCE EASTERLY ALONG THE SOUTH LINE OF CEDAR STREET, 249.48 FEET MORE OR LESS, TO THE NORTHWEST CORNER OF THE LAND CONVEYED TO THOMAS C. MENDOZA AND WIFE, BY DEED DATED SEPTEMBER 24, 1959, AND RECORDED OCTOBER 9, 1959, IN BOOK 2150, PAGE 650 OF OFFICIAL RECORDS; THENCE SOUTH 252 FEET, MORE OR LESS, TO A POINT IN THE WESTERLY PROLONGATION OF THE NORTH LINE OF THE PROPERTY CONVEYED TO HARVEY L. GALLEGHER AND WIFE, BY DEED DATED JUNE 28, 1946, SAID POINT BEING 12 FEET WEST OF THE NORTHWEST CORNER OF THE LAND AS CONVEYED TO HARVEY L. GALLAGHER AND WIFE: THENCE EAST 12 FEET TO SAID CORNER, THENCE SOUTH ALONG WITH WEST LINE OF THE LAND SO CONVEYED TO HARVEY L. GALLAGHER AND WIFE, 210 FEET TO THE SOUTHWEST CORNER OF THE LAND SO CONVEYED TO HARVEY L. GALLAGHER AND WIFE, SAID POINT BEING IS THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 10; THENCE WEST ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 10; 535 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND AS WAY CONVEYED TO THE HOUSING AUTHORITY OF THE COUNTY OF TULARE, IN DEED RECORDED APRIL 25, 1973, IN BOOK 3105, PAGE 233 OF OFFICIAL RECORDS, AS FILE NO. 17952.

EXHIBIT B

DEED

FREE RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City Clerk
City of Tulare
411 East Kern Avenue
Tulare, CA 93274

SPACE ABOVE THIS LINE FOR RECORDER'S USE
EXEMPT FROM RECORDING FEE PER GOV. CODE § 27383

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the CITY OF TULARE, a California municipal corporation as Successor Agency to the Tulare Redevelopment Agency ("Grantor"), hereby grants to BOARD OF PUBLIC UTILITIES, CITY OF TULARE ("Grantee"), all of its respective rights, title, and interest in the real property hereinafter referred to as the "Property" in the City of Tulare, County of Tulare, State of California, as more particularly described in Attachment 1 attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on its behalf as of the date written below.

CITY OF TULARE,
a California municipal corporation,
Successor Agency to the Tulare Redevelopment Agency

Paul Melikian, Interim City Manager

ATTEST:

Roxanne Yoder, Deputy City Clerk

APPROVED AS TO FORM:

David Hale, Legal Counsel

Attachment 1 to Grant Deed

LEGAL DESCRIPTION

For APN/Parcel ID(s): 175-220-10

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF TULARE, COUNTY OF TULARE, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 10, TOWNSHIP 20 SOUTH, RANGE 24 EAST, MOUNT DIABLO BASE AND MERIDIAN, COUNTY OF TULARE, STATE OF CALIFORNIA; THENCE NORTH ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 10, 234.4 FEET, SAID POINT BEING THE SOUTHWEST CORNER OF THE LAND CONVEYED TO C. F. GELLER AND NETTIE GELLER, HIS WIFE, BY DEED DATED MARCH 11, 1947; THENCE EAST ALONG THE SOUTH LINE OF THE LAND SA CONVEYED TO C. F. GELLER AND WIFE, AND ALONG THE SOUTH LINE OF THE PROPERTY CONVEYED TO ESTHER MCCOY A SINGLE WOMAN, BY DEED DATED FEBRUARY 28, 1949, AND RECORDED MARCH 25, 1949 IN BOOK 1353, PAGE 569 OF OFFICIAL RECORDS 276 FEET TO THE SOUTHEAST CORNER OF THE LAND SO CONVEYED TO ESTHER MCCOY; THENCE NORTH ALONG THE EAST LINE OF THE LAND SO CONVEYED TO ESTHER MCCOY; 179 FEET MORE OR LESS, SAID POINT BEING IN THE SOUTH LINE OF CEDAR STREET, THENCE EASTERLY ALONG THE SOUTH LINE OF CEDAR STREET, 249.48 FEET MORE OR LESS, TO THE NORTHWEST CORNER OF THE LAND CONVEYED TO THOMAS C. MENDOZA AND WIFE, BY DEED DATED SEPTEMBER 24, 1959, AND RECORDED OCTOBER 9, 1959, IN BOOK 2150, PAGE 650 OF OFFICIAL RECORDS; THENCE SOUTH 252 FEET, MORE OR LESS, TO A POINT IN THE WESTERLY PROLONGATION OF THE NORTH LINE OF THE PROPERTY CONVEYED TO HARVEY L. GALLEGHER AND WIFE, BY DEED DATED JUNE 28, 1946, SAID POINT BEING 12 FEET WEST OF THE NORTHWEST CORNER OF THE LAND AS CONVEYED TO HARVEY L. GALLAGHER AND WIFE: THENCE EAST 12 FEET TO SAID CORNER, THENCE SOUTH ALONG WITH WEST LINE OF THE LAND SO CONVEYED TO HARVEY L. GALLAGHER AND WIFE, 210 FEET TO THE SOUTHWEST CORNER OF THE LAND SO CONVEYED TO HARVEY L. GALLAGHER AND WIFE, SAID POINT BEING IS THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 10; THENCE WEST ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 10; 535 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND AS WAY CONVEYED TO THE HOUSING AUTHORITY OF THE COUNTY OF TULARE, IN DEED RECORDED APRIL 25, 1973, IN BOOK 3105, PAGE 233 OF OFFICIAL RECORDS, AS FILE NO. 17952.



Cal BRE #01222088

Steve Bonville
3989 South K Street
Tulare, CA 93274

RE: Broker Opinion of Value

Dear Steve,

As requested, please consider this letter as a Broker's Opinion of Value for the vacant lot located at the corner of Wright Way and Bardsley Ave. also known as APN 175-220-010. The lot is zoned as a residential lot. After viewing comparable sales in the area it is my professional opinion the lot has a market value of \$30,000. Please find information enclosed used to establish the value.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Smith", is written over the word "Sincerely,".

Craig Smith, Broker
Craig Smith & Associates, Inc.

A REAL ESTATE COMPANY

CMA Report
Sorted by Status (asc), Price (asc)

Listings as of 10/10/2016 1:44:45 PM

Property Type: Lots & Land Include Property Subtype: Lots Transaction Type: Sale Areas: Tulare NW,Tulare SW City: Tulare Statuses: Active, Contingency (4/13/2016 or after) , Short Sale Pending (4/13/2016 or after) , Pending, Sold (4/13/2015 or after)

Lots & Land

Active

Address	City	Map	Acre	SqFt	Date	\$/Acre	DOM/ CDOM	Orig Price	List Price	
120 S E St	Tulare		0.1722	7500 sf	01/03/16	202671.31	281/3580	34,900	34,900	
725 W Inyo Ave	Tulare		0.1606	6995 sf	02/22/16	389165.63	231/231	62,500	62,500	
Listing Count	2	Averages	.17			295918.47	256/1906	48,700	48,700	
				High	62,500		Low	34,900	Median	48,700

Sold

Address	City	Map	Acre	SqFt	Date	\$/Acre	DOM/ CDOM	Orig Price	List Price	Sale Price	SP % LP
128 N West St	Tulare		0.2195	9563 sf	09/13/16	63781.32	43/43	25,000	14,900	14,000	93.96s
405 N D St	Tulare		0.1719	7486 sf	08/19/16	104712.04	29/29	23,000	23,000	18,000	78.26s
120 S F St	Tulare		0.1700	0.170 ac	08/29/16	117647.06	80/80	29,000	22,500	20,000	88.89s
528 W Sonora Ave	Tulare		0.3600	15682sf	12/22/15	58333.33	12/12	34,900	34,900	21,000	60.17s
220 W Inyo Ave	Tulare		0.0918	4000 sf	08/24/15	272331.15	356/1084	28,000	27,000	25,000	92.59s
528 W Sonora Ave	Tulare		0.3600	0.360 ac	06/20/16	69444.44	14/14	29,000	29,000	25,000	86.21s
1280 N H St	Tulare		0.2900	12632sf	04/28/16	125862.07	36/238	42,500	42,500	36,500	85.88s
Listing Count	7	Averages	.24			116015.92	81/214	30,200	27,686	22,786	83.71
				High	36,500		Low	14,000	Median	21,000	
Property Type Count	9	Averages	.22			155994.26	120/590	34,311	32,356	22,785	

Client Detail Report

Listings as of 10/13/16 at 2:31pm

Active 01/03/16 **Listing # 119966** **120 S E St, Tulare, CA 93274-0** [Map](#) **Listing Price: \$34,900**
County: Tulare **Cross St: Tulare Ave**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare NW	Price/Acre	\$202,671.31
APN	175124002000	Lot Sq Ft (approx)	7500
DOM/CDOM	284/3583	Lot Acres (approx)	0.1722

[See Additional Pictures](#)

Directions From J Street, west on Tulare Avenue, left on E Street.

Marketing Remark Zoned R15-5000 sq. ft. single family residential. Submit offer!!

House	No	Sidewalk	No
Curb	No	Assoc. Fee & Amount	No
Gas	No	Electric	No
Phone	No	Sewer	No
Septic Tank	No	Water Service	Other
Well	No	Zoning Type	Residential
Specific Zoning Desg	R15		

Presented By:	Crystalyn Lessley	Craig Smith & Associates, Inc.
	Lic: 01941449 Primary: 559-686-1688 x200 Secondary: Other:	1695 E. Prosperity Ave. Tulare, CA 93274 559-686-1688 Fax : 559-686-2750 See our listings online:
	E-mail: crystalyn@craigsmithandassoc.com	
October 2016	Web Page:	http://www.craigsmithandassoc.com

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U.S. Patent 6,910,045



Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 09/13/16 **Listing # 123250** **128 N West St, Tulare, CA 93274 Map** **Listing Price: \$14,900**
County: Tulare **Cross St: Tulare**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare SW	Price/Acre	\$63,781.32
APN	175031015	Lot Sq Ft (approx)	9563 ((Appraiser))
		Lot Acres (approx)	0.2195

Directions From Tulare Ave and West St. in Tulare go North on West St. Property on right hand side

Marketing Remark Large lot in west Tulare.

Selling Price \$14,000

Selling Date 09/13/16
SP % LP 93.96

Pending Date 08/21/16

Terms	Cash	Lot Dimensions	62.5' x 153'
House	No	Sidewalk	No
Curb	Yes	Assoc. Fee & Amount	No
Gas	No	Electric	No
Phone	No	Sewer	Yes (Subject to city hookup and fees)
Septic Tank	No	Water Service	City (Subject to city hook up)
Well	No	Zoning Type	Residential

Presented By:

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Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 08/19/16 **Listing # 123655** **405 N D St, Tulare, CA 93274-3707 Map** **Listing Price: \$23,000**
County: Tulare **Cross St: Cross**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare NW	Price/Acre	\$104,712.04
APN	169211004000	Lot Sq Ft (approx)	7486 ((Tax Records))
		Lot Acres (approx)	0.1719

[See Additional Pictures](#)

Directions From South Mooney, West on Cross to North D Street, left to property (on corner).

Marketing Remark Large lot located on corner of a cul-de-sac street. Ready to be built on. Many trees on property. Walking/bike path adjacent to lot. Ideal location and near all schools and services. Take a look today and make your offer!

Selling Price \$18,000

Selling Date 08/19/16
SP % LP 78.26

Pending Date 07/20/16

Terms	Cash	House	No
Sidewalk	No	Curb	Yes
Assoc. Fee & Amount	No	Gas	Yes
Electric	Yes	Phone	No
Sewer	Yes	Septic Tank	No
Water Service	City	Well	No
Zoning Type	Residential		

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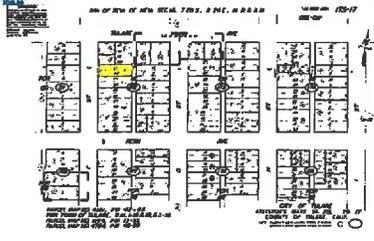
U.S. Patent 6,910,045



Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 08/29/16 **Listing # 122914** **120 S F St, Tulare, CA 93274-3837 Map** **Listing Price: \$22,500**
County: Tulare **Cross St: Bardsley Ave**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare NW	Price/Acre	\$117,647.06
APN	175172002000	Lot Sq Ft (approx)	7405 ((Tax Records))
		Lot Acres (approx)	0.1700
See Additional Pictures			

Directions From the intersection of Tulare Ave & J Street, head west on Tulare Ave, south on F Street

Marketing Remark .17 acre Residential Vacant Lot in the City of Tulare - utilities available.

Selling Price \$20,000

Selling Date 08/29/16
SP % LP 88.89

Pending Date 08/12/16

House	No	Sidewalk	No
Curb	No	Assoc. Fee & Amount	No
Gas	Yes (Buyer to verify)	Electric	Yes (Buyer to verify)
Phone	Yes (Buyer to verify)	Sewer	Yes (Buyer to verify)
Septic Tank	No (Buyer to verify)	Water Service	City (Buyer to verify)
Well	No (Buyer to verify)		

Presented By:	Crystalyn Lessley Lic: 01941449 Primary: 559-686-1688 x200 Secondary: Other: E-mail: crystalyn@craigsmithandassoc.com Web Page:	Craig Smith & Associates, Inc. 1695 E. Prosperity Ave. Tulare, CA 93274 559-686-1688 Fax : 559-686-2750 See our listings online: http://www.craigsmithandassoc.com
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 U.S. Patent 6,910,045



Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 12/22/15 **Listing # 119445** **528 W Sonora Ave, Tulare, CA 93274-5139 Map** **Listing Price: \$34,900**
County: Tulare **Cross St: South E St.**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare SW	Price/Acre	\$58,333.33
APN	175273020000	Lot Sq Ft (approx)	15682 ((Tax Records))
		Lot Acres (approx)	0.3600

Directions From Inyo and J street, head West on Inyo, turn left on to South E, and right on West Sonora. Lot is on your right.

Marketing Remark Large lot with utility hook ups ready for you to build on in South West Tulare.

Selling Price \$21,000

Selling Date 12/22/15
SP % LP 60.17

Pending Date 12/02/15

House	No	Sidewalk	Yes
Curb	Yes	Assoc. Fee & Amount	No
Gas	Yes	Electric	Yes
Phone	No	Sewer	Yes
Septic Tank	No	Water Service	City
Well	No	Zoning Type	Residential

Presented By:

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U.S. Patent 6,910,045



Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 08/24/15 **Listing # 111074** **220 W Inyo Ave, Tulare, CA 93274-0 Map** **Listing Price: \$27,000**
County: Tulare **Cross St: H Street**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare SW	Price/Acre	\$272,331.16
APN	175183007000	Lot Sq Ft (approx)	4000
		Lot Acres (approx)	0.0918
See Additional Pictures			

Directions On Inyo, between H and G streets, on north side of street, adjacent to alley way.

Marketing Remark Vacant lot zoned C-4, (service commercial) service commercial priced to sell. Drive by and take a look.

Selling Price \$25,000

Selling Date 08/24/15
SP % LP 92.59

Pending Date 08/10/15

Terms	Cash	Lot Dimensions	40x100
House	No	Sidewalk	Yes
Curb	Yes	Assoc. Fee & Amount	No
Gas	Yes	Electric	Yes
Phone	Yes	Sewer	Yes
Septic Tank	No	Water Service	City
Well	No	Topography	Flat
Zoning Type	Commercial Other (service)	Specific Zoning Desg	C-4

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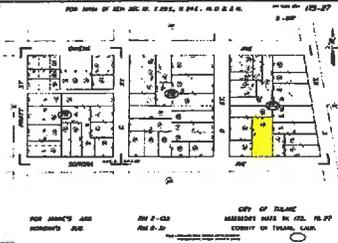
U.S. Patent 6,910,045



Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 06/20/16 **Listing # 122916** **528 W Sonora Ave, Tulare, CA 93274-5139 Map** **Listing Price: \$29,000**
County: Tulare **Cross St: D Street**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare SW	Price/Acre	\$69,444.44
APN	175273020000	Lot Sq Ft (approx)	15682 ((Tax Records))
		Lot Acres (approx)	0.3600

See Additional Pictures

Directions From the intersection of Bardsley Ave & E St, head north on E St, west on Sonora Ave

Marketing Remark Over 1/3 Acre Residential Vacant Lot in the City of Tulare - utilities available.

Selling Price \$25,000

Selling Date 06/20/16
SP % LP 86.21

Pending Date 06/06/16

House	No	Sidewalk	No
Curb	No	Assoc. Fee & Amount	No
Gas	Yes (Buyer to verify)	Electric	Yes (Buyer to verify)
Phone	Yes (Buyer to verify)	Sewer	Yes (Buyer to verify)
Septic Tank	No (Buyer to verify)	Water Service	City (Buyer to verify)
Well	No (Buyer to verify)		

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U.S. Patent 6,910,045



Client Detail Report

Listings as of 10/13/16 at 2:31pm

Sold 04/28/16 **Listing # 121235** **1280 N H St, Tulare, CA 93274-1810 Map** **Listing Price: \$42,500**
County: Tulare **Cross St: Prosperity Ave.**



Property Type	Lots & Land	Property Subtype	Lots
Area	Tulare NW	Price/Acre	\$125,862.07
APN	169090012000	Lot Sq Ft (approx)	12632 ((Tax Records))
		Lot Acres (approx)	0.2900

See Additional Pictures

Directions From Prosperity Avenue and J Street, west on Prosperity to corner of H Street and Prosperity. Property is situated just west of Prosperity and J Street.

Marketing Remark Commercial lot zoned C-4, located near the busy intersection of J Street and Prosperity Avenue with plenty of traffic exposure.

Selling Price \$36,500

Selling Date 04/28/16
SP % LP 85.88

Pending Date 04/06/16

Lot Dimensions	.29 acres	House	No
Sidewalk	No	Curb	No
Assoc. Fee & Amount	No	Gas	No
Electric	No	Phone	No
Sewer	No	Septic Tank	No
Water Service	City	Well	No
Topography	Flat	Zoning Type	Commercial Retail (C-4), Industrial

Presented By:

Crystalyn Lessley

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U.S. Patent 6,910,045



TO: Tulare Redevelopment Successor Agency Oversight Board

FROM: General Counsel Successor Agency

DATE: November 16, 2016

RE: Adopt OSB Resolution 16-14 a resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Tulare making a finding pursuant to Health and Safety Code Section 34191.4(b)(1) that a loan entered into by and between the City and Former Redevelopment Agency was for a legitimate Redevelopment purpose, has a total outstanding principal balance of \$16,052,848 and a total accrued and outstanding interest balance of \$3,250,702, and is eligible for repayment.

SUMMARY

The Oversight Board of the Successor Agency to the Tulare Redevelopment Agency (“Oversight Board”) will consider a resolution making a finding that a loan between the City of Tulare and the former Tulare Redevelopment Agency was for a legitimate redevelopment purpose, identifying the current outstanding principal and accrued interest balances, and finding that the loan is eligible for repayment.

BACKGROUND/EXPLANATION

Legislative Background

Assembly Bill (“AB”) x1 26 established strict definitions of “enforceable obligations” that may be paid through the Recognized Obligation Payment Schedule (“ROPS”), including loans made between cities and their former redevelopment agencies. AB 1484 legislatively invalidated and “clawed back” city loan repayments made after January 1, 2011, even if they were paid prior to the official dissolution of redevelopment agencies on February 1, 2012. AB 1484 set up a statutory process that allows successor agencies to repay city loans once they receive their Finding of Completion (“FOC”) from the California Department of Finance (“DOF”). Successor agency oversight boards must make a finding that city loans were for legitimate redevelopment purposes for them to be deemed enforceable obligations payable on the ROPS.

Senate Bill (“SB”) 107 modified the statutory process allowing city loan repayment by establishing a 3% simple interest rate on a quarterly basis to be applied “on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan.” Money paid on the loan is to be applied first to principal and second to interest.

Health & Safety Code (“HSC”) Section 34191.4(b)(1) provides: *“Notwithstanding subdivision (d) of Section 34171, upon application by the successor agency and approval by the oversight board, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created the redevelopment agency shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the loan was for legitimate redevelopment purposes.”*

In accordance with HSC Section 34191.4(b)(3), once these loans are deemed enforceable obligations, repayment of the loans is subject to specified requirements and limitations:

- Interest on the principal amount of the loan must be recalculated from origination using a three percent interest rate on a quarterly basis;
- Scheduled repayments on the ROPS cannot exceed 50% of the annual incremental growth of residual Redevelopment Property Tax Trust Fund (“RPTTF”) revenues using a fiscal year (“FY”) 2012-13 base year; and
- 20% of city loan repayments must be deducted and transferred to the Low and Moderate Income Housing Asset Fund.

City of Tulare Loan

The City of Tulare (“City”) and the former Tulare Redevelopment Agency (“Former Agency”) entered into a Loan Repayment Agreement (“Agreement”) on April 20, 2010, which was subsequently amended on June 29, 2010 (“First Amendment”), February 1, 2011 (“Second Amendment”), and March 9, 2011 (“Third Amendment”). To assist the Former Agency in carrying out its redevelopment activities, the City advanced funds to the Former Agency from time to time in accordance with cooperation agreements for individual redevelopment projects (“City Loan”). After redevelopment dissolution, the City elected to serve as the Successor Agency to the Former Agency (“Successor Agency”) pursuant to ABx1 26.

The Third Amendment formally acknowledged the amount of outstanding advances and established formal repayment terms, with annual payments due on June 30 of each year and a simple interest rate of three percent. As of June 30, 2009, the total amount of advances owed by the Former Agency to the City was approximately \$66 million, of which \$44.3 million was forgiven by the City. The Former Agency made a \$6 million payment in FY 2009-10.

The City Loan constitutes an eligible “loan agreement” per HSC Section 34191.4(b)(2)(A). The City loaned money to the Former Agency for a lawful purpose to carry out approved redevelopment activities, and the Former Agency was obligated to repay the money it received pursuant to the payment schedule in the Agreement.

In FY 2010-11, with a remaining loan balance of \$16,052,848, the Former Agency made a \$12,285,053 payment using three funding sources:

- Unspent bond proceeds totaling \$4,165,038 to cover projects pursuant to the bond indenture
- A land transfer valued at \$6,485,053
- A cash payment of \$1,634,962

The State Controller's Office ("SCO") ordered the reversal of the payment as part of a Successor Agency audit. The Successor Agency disputed SCO's reversal, initiated *City of Tulare et al. v. John Chiang et al.*, Sacramento Superior Court Case No. 34-2013-80001638 ("Trial"), and filed a First Amended Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief in the Trial on August 28, 2014 to protest SCO's Order.

The trial court entered judgement against the City and Successor Agency, who subsequently filed an appeal, *City of Tulare et al. v. Betty T. Yee, et al.*, Case No. C078718 ("Appeal").

The Successor Agency received its FOC on June 12, 2013, becoming eligible to begin repaying the City Loan consistent with AB 1484. The Oversight Board approved a resolution making a finding that the City Loan was for a legitimate redevelopment purpose on September 24, 2014. The Successor Agency submitted the resolution to DOF on September 26, 2014. In a letter dated November 7, 2014, DOF approved the Oversight Board's action finding that the City Loan was for a legitimate redevelopment purpose. However, the Appeal was pending at the time. Therefore, DOF denied the total outstanding principal amount of the City Loan and its eligibility for repayment at that time.

While officially approving the City Loan, DOF's determination effectively prevented the Successor Agency from making payments on the City Loan to the City. DOF indicated that it would reconsider the City Loan if the Oversight Board made a finding regarding the City Loan's total outstanding principal amount and its eligibility for repayment.

On June 24, 2016, the City and Successor Agency entered into a settlement agreement with the SCO, agreeing to dismiss the Appeal and withdraw or otherwise forego any other challenges to the SCO Order. The Oversight Board is therefore considering the City Loan again. Without any unreversed payments made on the loan since Fiscal Year 2009-10, the outstanding principal remains \$16,052,848. Based on the guidelines provided in SB 107, interest has accrued to a total of \$3,250,702 as of October 1, 2016. With the City's and Successor Agency's settlement agreement, the loan is now eligible for repayment.

Payment Schedules and Fiscal Year 2012-13 Residual RPTTF

The City and Successor Agency would like to repay the City Loan as soon as possible. City Loan payments annually cannot exceed 50% of the incremental growth of residual RPTTF revenues between the previous fiscal year and Fiscal Year 2012-13.

The Tulare County Auditor-Controller ("Auditor-Controller") prepares an RPTTF distribution report in January and June of each year identifying the RPTTF distribution,

including residual RPTTF revenues. DOF relies on these RPTTF distribution reports to review and approve successor agencies' requested payments on loans made between cities and successor agencies.

The City and Successor Agency believe that the Auditor-Controller incorrectly calculated the Successor Agency's Fiscal Year 2012-13 residual RPTTF revenue as published in the RPTTF reports for that year. The City and Successor Agency have contacted DOF and the Auditor-Controller to request a revised RPTTF report or direction on an alternative method to establish the correct Fiscal Year 2012-13 residual RPTTF for calculating the City Loan's maximum annual repayment amount.

DOF and the Auditor-Controller have not disputed that the currently published Fiscal Year 2012-13 residual RPTTF for the Successor Agency is incorrect, but have hesitated to issue a revised RPTTF or otherwise provide a definitive answer that the correct residual RPTTF value will be used to calculate the City Loan's maximum annual payments. Therefore, Successor Agency staff has prepared two estimated repayment schedules for the City Loan, wherein one repayment schedule uses the incorrectly calculated Fiscal Year 2012-13 residual RPTTF value and the second schedule uses the correct value.

Actual payments will be determined by the formula specified in HSC Section 34191.4(b)(3) and described above. The estimated repayment schedules are meant to provide a general sense of when the payments may be made and in which amounts. As the two payment schedules show, the Successor Agency would be able to repay the City Loan much more quickly with the corrected Fiscal Year 2012-13 residual RPTTF. The Successor Agency believes that this payment schedule, in addition to being correct, fulfills the Successor Agency's statutory purpose of winding down the Former Agency's affairs more efficiently.

FISCAL IMPACT

The Oversight Board must make findings that the City Loan was for legitimate redevelopment purposes, identifying the City Loan's outstanding balance, and establishing that the City Loan is eligible for repayment for the loan to be repaid.

STAFF RECOMMENDATION

Adopt OSB Resolution 16-14 a resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Tulare making a finding pursuant to Health and Safety Code Section 34191.4(b)(1) that a loan entered into by and between the City and Former Redevelopment Agency was for a legitimate Redevelopment purpose, has a total outstanding principal balance of \$16,052,848 and a total accrued and outstanding interest balance of \$3,250,702, and is eligible for repayment.

OSB RESOLUTION 16-14

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TULARE MAKING A FINDING PURSUANT TO HEALTH AND SAFETY CODE SECTION 34191.4(b)(1) THAT A LOAN ENTERED INTO BY AND BETWEEN THE CITY AND FORMER REDEVELOPMENT AGENCY WAS FOR A LEGITIMATE REDEVELOPMENT PURPOSE, HAS A TOTAL OUTSTANDING PRINCIPAL BALANCE OF \$16,052,848 AND A TOTAL ACCRUED AND OUTSTANDING INTEREST BALANCE OF \$3,250,702, AND IS ELIGIBLE FOR REPAYMENT

WHEREAS, pursuant to Section 34172(a) of the California Health and Safety Code (“HSC”), the Redevelopment Agency of the City of Tulare (“Former Agency”) has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173, the Successor Agency to the Redevelopment Agency of the City of Tulare (“Successor Agency”) has become the successor entity to the Former Agency; and

WHEREAS, the City of Tulare (“City”) advanced funds to the Former Agency from time to time in accordance with cooperation agreements for individual redevelopment projects necessary to revitalize redevelopment project areas; and

WHEREAS, the City and Former Agency entered into a Loan Repayment Agreement on April 20, 2010 to consolidate the advances, which was subsequently amended on June 29, 2010, February 1, 2011, and March 9, 2011 (“City Loan”); and

WHEREAS, the City Loan agreement and its amendments specified that the unpaid balance was to be paid at a rate of 3%, and set a payment schedule of annual payments of a minimum of \$466,433 to be paid for 30 years, ending June 30, 2040 with payments to be made only from tax increments derived from the Merged Tulare Redevelopment Project Area; and

WHEREAS, the City Loan constitutes a loan agreement as defined by HSC Section 34191.4(b)(2)(A); and

WHEREAS, the Former Agency made a \$12,285,053 payment on the City Loan in Fiscal Year 2010-11 using unspent bond proceeds totaling \$4,165,038, a land transfer valued at \$6,485,053, and a cash payment of \$1,634,962; and

WHEREAS, the State Controller’s Office (“SCO”) issued an order on December 21, 2012 directing the City to return the City Loan payment made in Fiscal Year 2010-11 (“Order”); and

WHEREAS, on September 11, 2013, the City and Successor Agency initiated *City of Tulare et al. v. John Chiang et al.*, Sacramento Superior Court Case No. 34-2013-80001638 (“Trial”) and filed a First Amended Petition for Writ of Mandate and Complaint

for Declaratory and Injunctive Relief in the Trial on August 28, 2014 to protest SCO's Order; and

WHEREAS, the trial court entered judgement against the City and Successor Agency, who subsequently filed an appeal, *City of Tulare et al. v. Betty T. Yee, et al.*, Case No. C078718 ("Appeal"); and

WHEREAS, in accordance with HSC Section 34191.4(b), the Successor Agency wishes to begin repaying the City Loan through the Recognized Obligation Payment Schedule ("ROPS") process; and

WHEREAS, HSC Section 34191.4(b)(1) requires that in order for the aforementioned loan to be deemed an enforceable obligation, the Oversight Board for the Successor Agency ("Oversight Board") must adopt a resolution making a finding that the loan was for a legitimate redevelopment purpose; and

WHEREAS, pursuant to HSC Section 34179 (h), Oversight Board actions are required to be submitted to the California Department of Finance ("DOF") for review and approval; and

WHEREAS, the Oversight Board approved a resolution making a finding that the City Loan was for a legitimate redevelopment purpose on September 24, 2014, and the Successor Agency submitted such resolution to DOF on September 26, 2014; and

WHEREAS, DOF determined in a letter dated November 7, 2014 to approve the Oversight Board's action finding that the City Loan was for a legitimate redevelopment purpose, but due to the pending Appeal, denied the total outstanding principal amount of the City Loan and its eligibility for repayment at that time; and

WHEREAS, DOF indicated that it would reconsider the City Loan if the Oversight Board made a finding regarding the City Loan's total outstanding principal amount and its eligibility for repayment; and

WHEREAS, on June 24, 2016, the City and Successor Agency entered into a settlement agreement with the SCO, agreeing to dismiss the Appeal and withdraw or otherwise forego any other challenges to the SCO Order; and

WHEREAS, HSC Section 34191.4(b)(3) sets a maximum annual repayment amount on loans between cities and their corresponding former redevelopment agencies, limiting loan payments in any given year to 50% of the difference between the previous year's residual Redevelopment Property Tax Trust Fund ("RPTTF") revenues and Fiscal Year 2012-13 residual RPTTF revenues; and

WHEREAS, DOF uses an RPTTF report issued by county auditor-controllers to approve such loan payments on the ROPS; and

WHEREAS, the City and Successor Agency believe that the Tulare County Auditor-Controller (“Auditor-Controller”) incorrectly calculated the Successor Agency’s Fiscal Year 2012-13 residual RPTTF revenue as published in the corresponding RPTTF reports; and

WHEREAS, the City and Successor Agency have contacted DOF and the Auditor-Controller to request a revised RPTTF report or direction on an alternative method to establish the correct Fiscal Year 2012-13 residual RPTTF for the purpose of calculating the City Loan’s maximum annual repayment amount; and

WHEREAS, DOF and the Auditor-Controller have not disputed that the currently published Fiscal Year 2012-13 residual RPTTF for the Successor Agency is incorrect, but have hesitated to issue a revised RPTTF or otherwise provide a definitive answer that the correct residual RPTTF value will be used to calculate the City Loan’s maximum annual payments; and

WHEREAS, HSC Section 34191.4(b)(3) requires interest on the City Loan to be recalculated on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan on a quarterly basis at a simple interest rate of three percent; and

WHEREAS, Successor Agency staff has prepared two estimated repayment schedules for the City Loan pursuant to HSC Section 34191.4(b)(3) and attached hereto as Exhibit A, wherein one repayment schedule uses the incorrectly calculated Fiscal Year 2012-13 residual RPTTF value and the second schedule uses the correct value; and

WHEREAS, both repayment schedules incorporate projections, while actual payments will be determined by the formula specified in HSC Section 34191.4(b)(3) and described above; and

WHEREAS, the Oversight Board desires to make findings on the legitimacy of the redevelopment purpose of the City Loan, on its total outstanding principal amount, and on its eligibility for repayment.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF TULARE DOES HEREBY RESOLVE, ORDER, AND DETERMINE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Loan Legitimacy. The Oversight Board hereby finds that the City Loan was for a legitimate redevelopment purpose.

Section 3. Outstanding Principal and Accrued Interest Balances. The Oversight Board hereby finds that, as of October 1, 2016, the City Loan’s total outstanding

principal balance is \$16,052,848 and total accrued and outstanding interest balance is \$3,250,702.

Section 4. Repayment Eligibility. The Oversight Board hereby finds that the City Loan is eligible for repayment at this time.

Section 5. Repayment Schedules. The Oversight Board directs the Successor Agency to use the corrected Fiscal Year 2012-13 residual RPTTF value to calculate maximum annual loan payments, subject to DOF approval.

PASSED, ADOPTED, AND APPROVED this 16th day of November, 2016 by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of Tulare.

Chair of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

I, Roxanne Yoder, Chief Deputy City Clerk of the City of Tulare, Oversight Board Secretary, certify the foregoing is the full and true Resolution 16-14, passed and adopted by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Tulare at a special meeting held on November 16, 2016, by the following vote:

Aye(s)_____

Noe(s)_____ Absent/Abstention(s)_____

Date:

OVERSIGHT BOARD SECRETARY

Roxanne Yoder

EXHIBIT A

Original and Amended Loan Repayment Agreements

EXHIBIT B

Department of Finance Determination Letter for
the Oversight Board's Previous Loan Legitimization

EXHIBIT C

Settlement Agreement with State Controller's Office and
Court of Appeal Stipulated Dismissal

EXHIBIT D

Letter to Tulare County Auditor-Controller Regarding
Fiscal Year 2012-13 Residual RPTTF Revenue

EXHIBIT E

Estimated Loan Repayment Schedules Using Current and Corrected
Fiscal Year 2012-13 Residual RPTTF Revenue Values

LOAN REPAYMENT AGREEMENT

THIS LOAN REPAYMENT AGREEMENT ("Agreement") is entered into as of April 20, 2010, by and between the CITY OF TULARE ("City") and REDEVELOPMENT AGENCY OF THE CITY OF TULARE ("Agency").

WITNESSETH:

WHEREAS, the City Council has approved, adopted and previously amended, from time to time, redevelopment plans for four redevelopment project areas within the City of Tulare, known as the Downtown, Alpine, West Tulare and South "K" Street projects, all of which redevelopment plans and projects have been amended and merged and are now collectively referred to as the Merged Tulare Redevelopment Projects (the "Merged Project Areas"); and

WHEREAS, the Agency is vested with the responsibility to carry out, in the City of Tulare, the Amended and Restated Redevelopment Plan for the Merged Tulare Redevelopment Projects (the "Amended Plan"), which was approved and adopted by the Agency and City Council to provide for a single redevelopment plan document to apply to all of the Merged Project Areas; and

WHEREAS, in order to assist the Agency in carrying out its redevelopment activities, the City has, from time to time, advanced funds to the Agency in accordance with cooperation agreements entered into from time to time with respect to each of the individual redevelopment projects; and

WHEREAS, in light of the recent approvals by the Agency and City of the amendments to and merger of the individual redevelopment plans, approval and adoption of the single Amended Plan covering all of the Merged Project Areas, the Agency's efforts to issue bonded indebtedness that will be secured by the property tax increments from the Merged Project Areas (the "Bonds") and other recent circumstances that have occurred affecting the financing of redevelopment projects throughout the State, the Agency and City desire to enter into this Repayment Agreement to formally acknowledge the amount of advances currently outstanding and establish formal repayment terms for the repayment of those advances;

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Repayment of Advances

a. The Agency and City acknowledge and agree that, as of June 30, 2009, the total amount of advances owed by the Agency to the City is approximately \$66 million. The parties further acknowledge and agree that, effective as of June 30, 2009, the City shall forgive up to \$44,300,000, or so much of said amount as is required to reduce the outstanding principal balance owed to the City to \$22,052,848 (the "Loan"), which amount shall hereafter be repaid by the Agency to the City, with interest, pursuant to the terms set forth in this Agreement.

b. The Agency shall make annual payments to the City, in the amounts and at the times set forth in the Payment Schedule attached hereto as **Exhibit A** and incorporated herein by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate of three percent (3%) per annum. Beginning in fiscal year 2010-11, and continuing through fiscal year 2024-25, the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2025-26, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency shall pay to the City a one-time payment equal to \$5 million upon successful issuance of the Bonds, which is expected in fiscal year 2009-2010. Each payment shall be credited first to interest then due and the remainder to principal.

c. Notwithstanding the repayment provisions contained in subsection 1.b., above, the City acknowledges that it is aware of the State's proposal under the State's FY 2009-10 and FY 2010-11 budgets to "take" approximately \$2.05 billion from active redevelopment project areas statewide for deposit into a Special Educational Revenue Augmentation Fund ("SERAF"), and that the Agency may be required to make ERAF payments of approximately \$1.795 million in fiscal year 2009-10 and \$371,000 in fiscal year 2010-11. The City acknowledges that the adoption of future shifts of redevelopment funds similar to this current SERAF "take", or other circumstances that drastically reduce the amount of tax increments to be received by the Agency in any year, could jeopardize the Agency's ability to make the payments required to be made to the City under this Agreement. In such event, the City agrees to cooperate with the Agency to modify the Payment Schedule (Exhibit A) to ensure that the Agency is able to meet its other debt obligations, undertake its proposed redevelopment activities within the Merged Project Areas, and repay the City in a reasonable manner.

d. In the event that the SEREF is found in violation of State law and no payments are required from the Agency to the State, then the Payment Schedule (Exhibit A) referred to above, shall be replaced by Alternative Payment Schedule (Exhibit B) to reflect an accelerated repayment to the City by the Agency.

e. The City hereby agrees that the obligation of the Agency to make annual payments to the City pursuant to this Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreements; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

f. Payments shall be made to the City at the following address:

City of Tulare
411 East Kern Avenue
Tulare, CA 93274

g. Agency shall have the right to prepay, at any time and from time to time, all or any portion of the Loan, provided all interest relating to such prepaid amount is also paid, without any premium or penalty.

Section 2. Defaults.

a. Agency's failure to pay any amount due hereunder within 15 days of its due date after notice to Agency shall be considered an event of default under this Agreement.

b. Upon the occurrence of any event of default and expiration of any applicable cure period at the option of the City after 30 days prior written notice, the entire unpaid balance of principal and all accrued interest owing under this Agreement shall become immediately due and payable. City's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

Section 3. Costs of Enforcement.

Agency agrees to pay the following costs, expenses and attorneys' fees paid or incurred by the City or adjudged by a Court: (1) reasonable costs of collection, costs and expenses, and reasonable attorneys' fees paid or incurred in connection with the collection, enforcement for this Agreement, or of any covenant of this Agreement, whether or not suit is filed; (2) costs of suit and such sums the Court may adjudge as attorneys' fees in any action to enforce payment of all amounts due under this Agreement or any part of it; and (3) costs of suit and such sum as the Court may adjudge as reasonable attorneys' fees in any other litigation or controversy connected with the enforcement of this Agreement.

Section 4. Waivers.

Except as provided above, Agency and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

Section 5. Assignment and Assumption.

This Agreement shall be binding upon Agency, its successors and assigns. This Agreement is not transferable by the Agency, and the Agency shall not assign its rights and obligations hereunder without the prior written consent of the City. The City, at its option, may negotiate, transfer or assumption of this Agreement.

Section 6. Governing Law.

This Agreement shall be construed in accordance with and be governed by the laws of the State of California.

Section 7. Integration.

This Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Agreement may not be modified or altered except by written amendment executed by both parties.

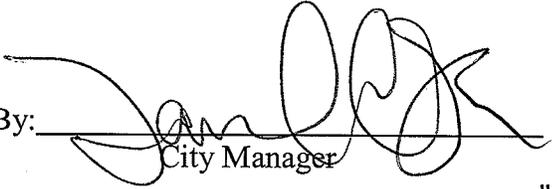
Section 8. Partial Invalidity.

If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Agreement on the day and year first above written.

CITY OF TULARE

By: _____


City Manager

"CITY"

REDEVELOPMENT AGENCY OF THE CITY
OF TULARE

By: _____


Executive Director

"AGENCY"

EXHIBIT A

Payment Schedule

Exhibit A
Agency Loan Repayment to City

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	5,000,000	5,000,000	17,052,848
2010 - 2011	17,052,848	511,585	511,585	0	511,585	17,052,848
2011 - 2012	17,052,848	511,585	511,585	0	511,585	17,052,848
2012 - 2013	17,052,848	511,585	511,585	0	511,585	17,052,848
2013 - 2014	17,052,848	511,585	511,585	0	511,585	17,052,848
2014 - 2015	17,052,848	511,585	511,585	0	511,585	17,052,848
2015 - 2016	17,052,848	511,585	511,585	0	511,585	17,052,848
2016 - 2017	17,052,848	511,585	511,585	0	511,585	17,052,848
2017 - 2018	17,052,848	511,585	511,585	0	511,585	17,052,848
2018 - 2019	17,052,848	511,585	511,585	0	511,585	17,052,848
2019 - 2020	17,052,848	511,585	511,585	0	511,585	17,052,848
2020 - 2021	17,052,848	511,585	511,585	0	511,585	17,052,848
2021 - 2022	17,052,848	511,585	511,585	0	511,585	17,052,848
2022 - 2023	17,052,848	511,585	511,585	0	511,585	17,052,848
2023 - 2024	17,052,848	511,585	511,585	0	511,585	17,052,848
2024 - 2025	17,052,848	511,585	511,585	0	511,585	17,052,848
2025 - 2026	17,052,848	511,585	511,585	500,000	1,011,585	16,552,848
2026 - 2027	16,552,848	496,585	496,585	500,000	996,585	16,052,848
2027 - 2028	16,052,848	481,585	481,585	600,000	1,081,585	15,452,848
2028 - 2029	15,452,848	463,585	463,585	800,000	1,263,585	14,652,848
2029 - 2030	14,652,848	439,585	439,585	1,100,000	1,539,585	13,552,848
2030 - 2031	13,552,848	406,585	406,585	1,100,000	1,506,585	12,452,848
2031 - 2032	12,452,848	373,585	373,585	1,100,000	1,473,585	11,352,848
2032 - 2033	11,352,848	340,585	340,585	1,300,000	1,640,585	10,052,848
2033 - 2034	10,052,848	301,585	301,585	1,300,000	1,601,585	8,752,848
2034 - 2035	8,752,848	262,585	262,585	1,300,000	1,562,585	7,452,848
2035 - 2036	7,452,848	223,585	223,585	1,500,000	1,723,585	5,952,848
2036 - 2037	5,952,848	178,585	178,585	1,500,000	1,678,585	4,452,848
2037 - 2038	4,452,848	133,585	133,585	1,500,000	1,633,585	2,952,848
2038 - 2039	2,952,848	88,585	88,585	1,500,000	1,588,585	1,452,848
2039 - 2040	1,452,848	43,585	43,585	1,452,848	1,496,433	(0)
Cumulative Total		12,419,563	12,419,563	22,052,848	34,472,411	

EXHIBIT B

Alternative Payment Schedule

Exhibit B
Agency Loan Repayment to City
Assuming No SERAF Payment

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	6,800,000	6,800,000	15,252,848
2010 - 2011	15,252,848	457,585	457,585	0	457,585	15,252,848
2011 - 2012	15,252,848	457,585	457,585	0	457,585	15,252,848
2012 - 2013	15,252,848	457,585	457,585	0	457,585	15,252,848
2013 - 2014	15,252,848	457,585	457,585	0	457,585	15,252,848
2014 - 2015	15,252,848	457,585	457,585	0	457,585	15,252,848
2015 - 2016	15,252,848	457,585	457,585	0	457,585	15,252,848
2016 - 2017	15,252,848	457,585	457,585	0	457,585	15,252,848
2017 - 2018	15,252,848	457,585	457,585	0	457,585	15,252,848
2018 - 2019	15,252,848	457,585	457,585	0	457,585	15,252,848
2019 - 2020	15,252,848	457,585	457,585	0	457,585	15,252,848
2020 - 2021	15,252,848	457,585	457,585	0	457,585	15,252,848
2021 - 2022	15,252,848	457,585	457,585	0	457,585	15,252,848
2022 - 2023	15,252,848	457,585	457,585	0	457,585	15,252,848
2023 - 2024	15,252,848	457,585	457,585	0	457,585	15,252,848
2024 - 2025	15,252,848	457,585	457,585	0	457,585	15,252,848
2025 - 2026	15,252,848	457,585	457,585	500,000	957,585	14,752,848
2026 - 2027	14,752,848	442,585	442,585	500,000	942,585	14,252,848
2027 - 2028	14,252,848	427,585	427,585	600,000	1,027,585	13,652,848
2028 - 2029	13,652,848	409,585	409,585	800,000	1,209,585	12,852,848
2029 - 2030	12,852,848	385,585	385,585	1,100,000	1,485,585	11,752,848
2030 - 2031	11,752,848	352,585	352,585	1,100,000	1,452,585	10,652,848
2031 - 2032	10,652,848	319,585	319,585	1,100,000	1,419,585	9,552,848
2032 - 2033	9,552,848	286,585	286,585	1,300,000	1,586,585	8,252,848
2033 - 2034	8,252,848	247,585	247,585	1,300,000	1,547,585	6,952,848
2034 - 2035	6,952,848	208,585	208,585	1,300,000	1,508,585	5,652,848
2035 - 2036	5,652,848	169,585	169,585	1,500,000	1,669,585	4,152,848
2036 - 2037	4,152,848	124,585	124,585	1,500,000	1,624,585	2,652,848
2037 - 2038	2,652,848	79,585	79,585	1,500,000	1,579,585	1,152,848
2038 - 2039	1,152,848	34,585	34,585	1,152,848	1,187,433	(0)
2039 - 2040	(0)	(0)	(0)	(0)	(0)	(0)
Cumulative Total		10,809,977	10,809,977	22,052,848	32,862,825	

**AMENDED AND RESTATED
LOAN REPAYMENT AGREEMENT**

THIS AMENDED AND RESTATED LOAN REPAYMENT AGREEMENT ("Amended Agreement") is entered into as of June 29, 2010, by and between the CITY OF TULARE ("City") and REDEVELOPMENT AGENCY OF THE CITY OF TULARE ("Agency").

WITNESSETH:

WHEREAS, the City Council has approved, adopted and previously amended, from time to time, redevelopment plans for four redevelopment project areas within the City of Tulare, known as the Downtown, Alpine, West Tulare and South "K" Street projects, all of which redevelopment plans and projects have been amended and merged and are now collectively referred to as the Merged Tulare Redevelopment Projects (the "Merged Project Areas"); and

WHEREAS, the Agency is vested with the responsibility to carry out, in the City of Tulare, the Amended and Restated Redevelopment Plan for the Merged Tulare Redevelopment Projects (the "Amended Plan"), which was approved and adopted by the Agency and City Council to provide for a single redevelopment plan document to apply to all of the Merged Project Areas; and

WHEREAS, in order to assist the Agency in carrying out its redevelopment activities, the City has, from time to time, advanced funds to the Agency in accordance with cooperation agreements entered into from time to time with respect to each of the individual redevelopment projects; and

WHEREAS, in light of the recent approvals by the Agency and City of the amendments to and merger of the individual redevelopment plans, approval and adoption of the single Amended Plan covering all of the Merged Project Areas, the Agency's efforts to issue bonded indebtedness that will be secured by the property tax increments from the Merged Project Areas (the "Bonds") and other recent circumstances that have occurred affecting the financing of redevelopment projects throughout the State, the Agency and City desire to enter into this Amended Agreement to formally acknowledge the amount of advances currently outstanding and establish formal repayment terms for the repayment of those advances; and

WHEREAS, the Agency and City previously entered into a Loan Repayment Agreement dated as of April 20, 2010 ("Original Agreement"). Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement as set forth herein.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Repayment of Advances

a. The Agency and City acknowledge and agree that, as of June 30, 2009, the total amount of advances owed by the Agency to the City is approximately \$66 million. The parties further acknowledge and agree that, effective as of June 30, 2009, the City shall forgive up to \$44,300,000, or so much of said amount as is required to reduce the outstanding principal balance owed to the City to \$22,052,848 (the "Loan"), which amount shall hereafter be repaid by the Agency to the City, with interest, pursuant to the terms set forth in this Amended Agreement.

b. The Agency shall make annual payments to the City, in the amounts and at the times set forth in the Payment Schedule attached hereto as **Exhibit A** and incorporated herein by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate of three percent (3%) per annum. Beginning in fiscal year 2010-11, and continuing through fiscal year 2024-25, the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2025-26, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency shall pay to the City a one-time payment equal to \$6 million upon successful issuance of the Bonds, which is expected in fiscal year 2009-2010. Each payment shall be credited first to interest then due and the remainder to principal.

c. The City hereby agrees that the obligation of the Agency to make annual payments to the City pursuant to this Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreements; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

f. Payments shall be made to the City at the following address:

City of Tulare
411 East Kern Avenue
Tulare, CA 93274

g. Agency shall have the right to prepay, at any time and from time to time, all or any portion of the Loan, provided all interest relating to such prepaid amount is also paid, without any premium or penalty.

Section 2. Defaults.

a. Agency's failure to pay any amount due hereunder within 15 days of its due date after notice to Agency shall be considered an event of default under this Amended Agreement.

b. Upon the occurrence of any event of default and expiration of any applicable cure period at the option of the City after 30 days prior written notice, the entire unpaid balance of principal and all accrued interest owing under this Agreement shall become immediately due and

payable. City's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

Section 3. Costs of Enforcement.

Agency agrees to pay the following costs, expenses and attorneys' fees paid or incurred by the City or adjudged by a Court: (1) reasonable costs of collection, costs and expenses, and reasonable attorneys' fees paid or incurred in connection with the collection, enforcement for this Agreement, or of any covenant of this Amended Agreement, whether or not suit is filed; (2) costs of suit and such sums the Court may adjudge as attorneys' fees in any action to enforce payment of all amounts due under this Amended Agreement or any part of it; and (3) costs of suit and such sum as the Court may adjudge as reasonable attorneys' fees in any other litigation or controversy connected with the enforcement of this Amended Agreement.

Section 4. Waivers.

Except as provided above, Agency and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

Section 5. Assignment and Assumption.

This Amended Agreement shall be binding upon Agency, its successors and assigns. This Amended Agreement is not transferable by the Agency, and the Agency shall not assign its rights and obligations hereunder without the prior written consent of the City. The City, at its option, may negotiate, transfer or assumption of this Amended Agreement.

Section 6. Governing Law.

This Amended Agreement shall be construed in accordance with and be governed by the laws of the State of California.

Section 7. Integration.

This Amended Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Amended Agreement may not be modified or altered except by written amendment executed by both parties.

Section 8. Partial Invalidity.

If any provision of this Amended Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. Termination of Original Agreement

It is the intent of the parties that this Amended Agreement shall replace in its entirety the Original Agreement. Upon execution of this Amended Agreement by the Agency and City, the Original Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Amended Agreement on the day and year first above written.

CITY OF TULARE

By: 
City Manager "CITY"

REDEVELOPMENT AGENCY OF THE CITY
OF TULARE

By: 
Executive Director "AGENCY"

EXHIBIT A

Payment Schedule

Exhibit A
Agency Loan Repayment to City

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	6,000,000	6,000,000	16,052,848
2010 - 2011	16,052,848	481,585	481,585	0	481,585	16,052,848
2011 - 2012	16,052,848	481,585	481,585	0	481,585	16,052,848
2012 - 2013	16,052,848	481,585	481,585	0	481,585	16,052,848
2013 - 2014	16,052,848	481,585	481,585	0	481,585	16,052,848
2014 - 2015	16,052,848	481,585	481,585	0	481,585	16,052,848
2015 - 2016	16,052,848	481,585	481,585	0	481,585	16,052,848
2016 - 2017	16,052,848	481,585	481,585	0	481,585	16,052,848
2017 - 2018	16,052,848	481,585	481,585	0	481,585	16,052,848
2018 - 2019	16,052,848	481,585	481,585	0	481,585	16,052,848
2019 - 2020	16,052,848	481,585	481,585	0	481,585	16,052,848
2020 - 2021	16,052,848	481,585	481,585	0	481,585	16,052,848
2021 - 2022	16,052,848	481,585	481,585	0	481,585	16,052,848
2022 - 2023	16,052,848	481,585	481,585	0	481,585	16,052,848
2023 - 2024	16,052,848	481,585	481,585	0	481,585	16,052,848
2024 - 2025	16,052,848	481,585	481,585	0	481,585	16,052,848
2025 - 2026	16,052,848	481,585	481,585	500,000	981,585	15,552,848
2026 - 2027	15,552,848	466,585	466,585	500,000	966,585	15,052,848
2027 - 2028	15,052,848	451,585	451,585	600,000	1,051,585	14,452,848
2028 - 2029	14,452,848	433,585	433,585	800,000	1,233,585	13,652,848
2029 - 2030	13,652,848	409,585	409,585	1,100,000	1,509,585	12,552,848
2030 - 2031	12,552,848	376,585	376,585	1,100,000	1,476,585	11,452,848
2031 - 2032	11,452,848	343,585	343,585	1,100,000	1,443,585	10,352,848
2032 - 2033	10,352,848	310,585	310,585	1,300,000	1,610,585	9,052,848
2033 - 2034	9,052,848	271,585	271,585	1,300,000	1,571,585	7,752,848
2034 - 2035	7,752,848	232,585	232,585	1,300,000	1,532,585	6,452,848
2035 - 2036	6,452,848	193,585	193,585	1,500,000	1,693,585	4,952,848
2036 - 2037	4,952,848	148,585	148,585	1,500,000	1,648,585	3,452,848
2037 - 2038	3,452,848	103,585	103,585	1,500,000	1,603,585	1,952,848
2038 - 2039	1,952,848	58,585	58,585	1,500,000	1,558,585	452,848
2039 - 2040	452,848	13,585	13,585	452,848	466,433	(0)
Cumulative Total		11,519,563	11,519,563	22,052,848	33,572,411	

**SECOND AMENDED AND RESTATED
LOAN REPAYMENT AGREEMENT**

THIS SECOND AMENDED AND RESTATED LOAN REPAYMENT AGREEMENT ("Second Amended Agreement") is entered into as of February 1st, 2011, by and between the CITY OF TULARE ("City") and REDEVELOPMENT AGENCY OF THE CITY OF TULARE ("Agency").

WITNESSETH:

WHEREAS, the City Council has approved, adopted and previously amended, from time to time, redevelopment plans for four redevelopment project areas within the City of Tulare, known as the Downtown, Alpine, West Tulare and South "K" Street projects, all of which redevelopment plans and projects have been amended and merged and are now collectively referred to as the Merged Tulare Redevelopment Projects (the "Merged Project Areas"); and

WHEREAS, the Agency is vested with the responsibility to carry out, in the City of Tulare, the Amended and Restated Redevelopment Plan for the Merged Tulare Redevelopment Projects (the "Amended Plan"), which was approved and adopted by the Agency and City Council to provide for a single redevelopment plan document to apply to all of the Merged Project Areas; and

WHEREAS, in order to assist the Agency in carrying out its redevelopment activities, the City has, from time to time, advanced funds to the Agency in accordance with cooperation agreements entered into from time to time with respect to each of the individual redevelopment projects; and

WHEREAS, in light of the recent approvals by the Agency and City of the amendments to and merger of the individual redevelopment plans, approval and adoption of the single Amended Plan covering all of the Merged Project Areas, the Agency's efforts to issue bonded indebtedness that will be secured by the property tax increments from the Merged Project Areas (the "Bonds") and other recent circumstances that have occurred affecting the financing of redevelopment projects throughout the State, the Agency and City desire to enter into this Second Amended Agreement to formally acknowledge the amount of advances currently outstanding and establish formal repayment terms for the repayment of those advances; and

WHEREAS, the Agency and City previously entered into a Loan Repayment Agreement dated as of April 20, 2010 ("Original Agreement") as well as an Amended and Restated Loan Repayment Agreement dated as of June 29, 2010 ("Amended Agreement"). Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Original Agreement and the Amended Agreement as set forth herein.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Repayment of Advances

a. The Agency and City acknowledge and agree that, as of June 30, 2009, the total amount of advances owed by the Agency to the City is approximately \$66 million. The parties further acknowledge and agree that, effective as of June 30, 2009, the City shall forgive up to \$44,300,000, or so much of said amount as is required to reduce the outstanding principal balance owed to the City to \$16,052,848 (the "Loan"), which amount shall hereafter be repaid by the Agency to the City, with interest, pursuant to the terms set forth in this Second Amended Agreement.

b. The Agency hereby pledges its tax increment for the repayment of the Loan and shall make annual payments to the City, in the amounts and at the times set forth in the Payment Schedule attached hereto as **Exhibit A** and incorporated herein by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate of three percent (3%) per annum. Beginning in fiscal year 2010-11, and continuing through fiscal year 2024-25, the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2025-26, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency paid to the City a one-time payment equal to \$6 million in fiscal year 2009-2010. Each payment shall be credited first to interest then due and the remainder to principal.

c. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this Second Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreements; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

f. Payments shall be made to the City at the following address:

City of Tulare
411 East Kern Avenue
Tulare, CA 93274

g. In the event that the Agency is disestablished or prohibited from continuing activities under the Community Redevelopment Law, then the outstanding amount of the Loan shall be immediately due and payable, subject to any amounts owed as outlined in Section 1(c) above, and the Agency (or its successor entity) shall still have the obligation to repay the Loan, at the times set forth in the Alternative Payment Schedule attached hereto as **Exhibit B** and incorporated herein by reference, which shall be adjusted based on timing of such disestablishment or action to prohibit continuing activities.

Section 2. Defaults.

a. Agency's failure to pay any amount due hereunder within 15 days of its due date after notice to Agency shall be considered an event of default under this Second Amended Agreement.

b. Upon the occurrence of any event of default and expiration of any applicable cure period at the option of the City after 30 days prior written notice, the entire unpaid balance of principal and all accrued interest owing under this Second Amended Agreement shall become immediately due and payable. City's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

Section 3. Costs of Enforcement.

Agency agrees to pay the following costs, expenses and attorneys' fees paid or incurred by the City or adjudged by a Court: (1) reasonable costs of collection, costs and expenses, and reasonable attorneys' fees paid or incurred in connection with the collection, enforcement for this Second Amended Agreement, or of any covenant of this Second Amended Agreement, whether or not suit is filed; (2) costs of suit and such sums the Court may adjudge as attorneys' fees in any action to enforce payment of all amounts due under this Second Amended Agreement or any part of it; and (3) costs of suit and such sum as the Court may adjudge as reasonable attorneys' fees in any other litigation or controversy connected with the enforcement of this Second Amended Agreement.

Section 4. Waivers.

Except as provided above, Agency and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

Section 5. Assignment and Assumption.

This Second Amended Agreement shall be binding upon Agency, its successors and assigns. This Second Amended Agreement is not transferable by the Agency, and the Agency shall not assign its rights and obligations hereunder without the prior written consent of the City. The City, at its option, may negotiate, transfer or assumption of this Second Amended Agreement.

Section 6. Governing Law.

This Second Amended Agreement shall be construed in accordance with and be governed by the laws of the State of California.

Section 7. Integration.

This Second Amended Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Second Amended Agreement may not be modified or altered except by written amendment executed by both parties.

Section 8. Partial Invalidity.

If any provision of this Second Amended Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. Termination of Original Agreement and the Amended Agreement

It is the intent of the parties that this Second Amended Agreement shall replace in its entirety the Original Agreement and the Amended Agreement. Upon execution of this Second Amended Agreement by the Agency and City, the Original Agreement and the Amended Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Second Amended Agreement on the day and year first above written.

CITY OF TULARE

By: Wayne Allen
Mayor

"CITY"

REDEVELOPMENT AGENCY OF THE CITY
OF TULARE

By: [Signature]
Chairperson

"AGENCY"

Exhibit A
Agency Loan Repayment to City

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	6,000,000	6,000,000	16,052,848
2010 - 2011	16,052,848	481,585	481,585	0	481,585	16,052,848
2011 - 2012	16,052,848	481,585	481,585	0	481,585	16,052,848
2012 - 2013	16,052,848	481,585	481,585	0	481,585	16,052,848
2013 - 2014	16,052,848	481,585	481,585	0	481,585	16,052,848
2014 - 2015	16,052,848	481,585	481,585	0	481,585	16,052,848
2015 - 2016	16,052,848	481,585	481,585	0	481,585	16,052,848
2016 - 2017	16,052,848	481,585	481,585	0	481,585	16,052,848
2017 - 2018	16,052,848	481,585	481,585	0	481,585	16,052,848
2018 - 2019	16,052,848	481,585	481,585	0	481,585	16,052,848
2019 - 2020	16,052,848	481,585	481,585	0	481,585	16,052,848
2020 - 2021	16,052,848	481,585	481,585	0	481,585	16,052,848
2021 - 2022	16,052,848	481,585	481,585	0	481,585	16,052,848
2022 - 2023	16,052,848	481,585	481,585	0	481,585	16,052,848
2023 - 2024	16,052,848	481,585	481,585	0	481,585	16,052,848
2024 - 2025	16,052,848	481,585	481,585	0	481,585	16,052,848
2025 - 2026	16,052,848	481,585	481,585	500,000	981,585	15,552,848
2026 - 2027	15,552,848	466,585	466,585	500,000	966,585	15,052,848
2027 - 2028	15,052,848	451,585	451,585	600,000	1,051,585	14,452,848
2028 - 2029	14,452,848	433,585	433,585	800,000	1,233,585	13,652,848
2029 - 2030	13,652,848	409,585	409,585	1,100,000	1,509,585	12,552,848
2030 - 2031	12,552,848	376,585	376,585	1,100,000	1,476,585	11,452,848
2031 - 2032	11,452,848	343,585	343,585	1,100,000	1,443,585	10,352,848
2032 - 2033	10,352,848	310,585	310,585	1,300,000	1,610,585	9,052,848
2033 - 2034	9,052,848	271,585	271,585	1,300,000	1,571,585	7,752,848
2034 - 2035	7,752,848	232,585	232,585	1,300,000	1,532,585	6,452,848
2035 - 2036	6,452,848	193,585	193,585	1,500,000	1,693,585	4,952,848
2036 - 2037	4,952,848	148,585	148,585	1,500,000	1,648,585	3,452,848
2037 - 2038	3,452,848	103,585	103,585	1,500,000	1,603,585	1,952,848
2038 - 2039	1,952,848	58,585	58,585	1,500,000	1,558,585	452,848
2039 - 2040	452,848	13,585	13,585	452,848	466,433	(0)
Cumulative Total		11,519,563	11,519,563	22,052,848	33,572,411	

Exhibit B
Agency Loan Repayment to City
Assuming RDA Ends July 1, 2010

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	6,000,000	6,000,000	16,052,848
2010 - 2011	16,052,848	481,585	481,585	0	481,585	16,052,848
2011 - 2012	16,052,848	481,585	481,585	2,100,000	2,581,585	13,952,848
2012 - 2013	13,952,848	418,585	418,585	2,300,000	2,718,585	11,652,848
2013 - 2014	11,652,848	349,585	349,585	2,500,000	2,849,585	9,152,848
2014 - 2015	9,152,848	274,585	274,585	2,700,000	2,974,585	6,452,848
2015 - 2016	6,452,848	193,585	193,585	2,900,000	3,093,585	3,552,848
2016 - 2017	3,552,848	106,585	106,585	3,000,000	3,106,585	552,848
2017 - 2018	552,848	16,585	16,585	552,848	569,433	(0)
Cumulative Total		2,322,683	2,322,683	22,052,848	24,375,531	

The repayment schedule assumes that the Agency will need to meet the following other obligations prior to repaying the City loan.

- Property Tax Admin Fees
- Housing Set -aside
- Negotiated Tax Sharing Payments
- Development agreement payments to Land O Lakes and Cheese and Protein
- Bond Debt service.

It assumes no future payments per 33607.5 or 33607.7 of the CRL nor administrative and operating costs of the Project Area.

**THIRD AMENDED AND RESTATED
LOAN REPAYMENT AGREEMENT**

THIS THIRD AMENDED AND RESTATED LOAN REPAYMENT AGREEMENT ("Third Amended Agreement") is entered into as of March 9, 2011, by and between the CITY OF TULARE ("City") and REDEVELOPMENT AGENCY OF THE CITY OF TULARE ("Agency").

WITNESSETH:

WHEREAS, the City Council has approved, adopted and previously amended, from time to time, redevelopment plans for four redevelopment project areas within the City of Tulare, known as the Downtown, Alpine, West Tulare and South "K" Street projects, all of which redevelopment plans and projects have been amended and merged and are now collectively referred to as the Merged Tulare Redevelopment Projects (the "Merged Project Areas"); and

WHEREAS, the Agency is vested with the responsibility to carry out, in the City of Tulare, the Amended and Restated Redevelopment Plan for the Merged Tulare Redevelopment Projects (the "Amended Plan"), which was approved and adopted by the Agency and City Council to provide for a single redevelopment plan document to apply to all of the Merged Project Areas; and

WHEREAS, in order to assist the Agency in carrying out its redevelopment activities, the City has, from time to time, advanced funds to the Agency in accordance with cooperation agreements entered into from time to time with respect to each of the individual redevelopment projects; and

WHEREAS, in light of the recent approvals by the Agency and City of the amendments to and merger of the individual redevelopment plans, approval and adoption of the single Amended Plan covering all of the Merged Project Areas, the Agency's efforts to issue bonded indebtedness that will be secured by the property tax increments from the Merged Project Areas (the "Bonds") and other recent circumstances that have occurred affecting the financing of redevelopment projects throughout the State, the Agency and City desire to enter into this Third Amended Agreement to formally acknowledge the amount of advances currently outstanding and establish formal repayment terms for the repayment of those advances; and

WHEREAS, the Agency and City previously entered into a Second Amended and Restated Loan Repayment Agreement dated as of January 26, 2011 ("Second Amendment"). Due to changed circumstances, and further decisions of the parties, the City and Agency desire to amend the Second Amendment as set forth herein.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. Repayment of Advances

a. The Agency and City acknowledge and agree that, as of June 30, 2009, the total amount of advances owed by the Agency to the City is approximately \$66 million. The parties further acknowledge and agree that, effective as of June 30, 2009, the City shall forgive up to \$44,300,000, or so much of said amount as is required to reduce the outstanding principal balance owed to the City to \$16,052,848 (the "Loan"), which amount shall hereafter be repaid by the Agency to the City, with interest, pursuant to the terms set forth in this Third Amended Agreement.

b. The Agency hereby pledges its tax increment for the repayment of the Loan and shall make annual payments to the City, in the amounts and at the times set forth in the Payment Schedule attached hereto as **Exhibit A** and incorporated herein by reference. Generally, the parties agree that the Loan will accrue simple interest at the rate of three percent (3%) per annum. Beginning in fiscal year 2010-11, and continuing through fiscal year 2024-25, the Agency shall make annual payments of interest only to the City as set forth in the Payment Schedule (Exhibit A). Commencing in fiscal year 2025-26, the Agency shall make payments of principal and interest, in accordance with the Payment Schedule (Exhibit A), which payments shall continue until all amounts due and owing the City are paid in full. Each annual payment shall be due June 30 of each year (the last day of the applicable fiscal year). In addition to the annual payments, the Agency paid to the City a one-time payment equal to \$6 million in fiscal year 2009-2010. Each payment shall be credited first to interest then due and the remainder to principal.

c. The City hereby agrees that the pledge of tax increment and obligation of the Agency to make annual payments to the City pursuant to this Third Amended Agreement shall be fully subordinate to obligations of the Agency for the following: (1) existing agreements; (2) annual obligations required under the Community Redevelopment Law; and (3) to repay any Bonds and to all other obligations of the Agency under the indentures of trust pursuant to which the Bonds are issued.

f. Payments shall be made to the City at the following address:

City of Tulare
411 East Kern Avenue
Tulare, CA 93274

g. In the event that adoption of legislation is imminent, or legislation is adopted whereby the Agency is disestablished, prohibited from continuing activities or making any new agreements for non-affordable housing related matters under the Community Redevelopment Law, then the outstanding amount of the Loan shall be immediately due and payable, subject to any amounts owed as outlined in Section 1(c) above. The Agency may repay the City with any cash or real-property assets that it holds, or from the proceeds from the Redevelopment Tax Increment, 2010 Series B bond issuance, as partial satisfaction of the Loan.

h. In the event the cash and real property assets held by the Agency are insufficient to repay the Loan in full, then the Agency (or its successor entity) shall still have the obligation to repay the full amount of the Loan, with available cash and real property assets, or from the proceeds from the Redevelopment Tax Increment, 2010 Series B bond issuance, along with future tax increment, at the times set forth in the Alternative Payment Schedule attached hereto as **Exhibit B** and incorporated herein by reference.

i. City and Agency acknowledge that the repayment of the Loan with proceeds of the Redevelopment Tax Increment, 2010 Series B Bond, is permitted as the original loan from the City to the Agency was to finance redevelopment activities of the Agency within or of benefit to one or more of the Redevelopment Project Areas.

j. The City and Agency agree that the purchase price for the real property assets identified in **Exhibit C**, attached hereto and incorporated herein by reference (the "Agency Properties"), is not less than the current fair market value for the Agency Properties, to assure that the Agency receives full value for the conveyance of the Agency Properties. The current fair market value as determined by the City and Agency is listed for each Agency Property on Exhibit C.

Section 2. Defaults.

a. Agency's failure to pay any amount due hereunder within 15 days of its due date after notice to Agency shall be considered an event of default under this Third Amended Agreement.

b. Upon the occurrence of any event of default and expiration of any applicable cure period at the option of the City after 30 days prior written notice, the entire unpaid balance of principal and all accrued interest owing under this Second Amended Agreement shall become immediately due and payable. City's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

Section 3. Costs of Enforcement.

Agency agrees to pay the following costs, expenses and attorneys' fees paid or incurred by the City or adjudged by a Court: (1) reasonable costs of collection, costs and expenses, and reasonable attorneys' fees paid or incurred in connection with the collection, enforcement for this Second Amended Agreement, or of any covenant of this Second Amended Agreement, whether or not suit is filed; (2) costs of suit and such sums the Court may adjudge as attorneys' fees in any action to enforce payment of all amounts due under this Second Amended Agreement or any part of it; and (3) costs of suit and such sum as the Court may adjudge as reasonable attorneys' fees in any other litigation or controversy connected with the enforcement of this Second Amended Agreement.

Section 4. Waivers.

Except as provided above, Agency and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

Section 5. Assignment and Assumption.

This Second Amended Agreement shall be binding upon Agency, its successors and assigns. This Second Amended Agreement is not transferable by the Agency, and the Agency shall not assign its rights and obligations hereunder without the prior written consent of the City. The City, at its option, may negotiate, transfer or assumption of this Second Amended Agreement.

Section 6. Governing Law.

This Second Amended Agreement shall be construed in accordance with and be governed by the laws of the State of California.

Section 7. Integration.

This Second Amended Agreement represents the entire understanding of the parties as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Second Amended Agreement may not be modified or altered except by written amendment executed by both parties.

Section 8. Partial Invalidity.

If any provision of this Second Amended Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 9. Termination of Second Amended Agreement

It is the intent of the parties that this Third Amended Agreement shall replace in its entirety the Second Amended Agreement. Upon execution of this Third Amended Agreement by the Agency and City, the Second Amended Agreement shall be deemed terminated by the parties and shall thereafter be of no further force and effect.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Second Amended Agreement on the day and year first above written.

CITY OF TULARE

By: Wayne M
Mayor

"CITY"

REDEVELOPMENT AGENCY OF THE CITY
OF TULARE

By: Judy Smith
Chairperson

"AGENCY"

EXHIBIT A

Payment Schedule

[See attached]

Exhibit A
Agency Loan Repayment to City

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	6,000,000	6,000,000	16,052,848
2010 - 2011	16,052,848	481,585	481,585	0	481,585	16,052,848
2011 - 2012	16,052,848	481,585	481,585	0	481,585	16,052,848
2012 - 2013	16,052,848	481,585	481,585	0	481,585	16,052,848
2013 - 2014	16,052,848	481,585	481,585	0	481,585	16,052,848
2014 - 2015	16,052,848	481,585	481,585	0	481,585	16,052,848
2015 - 2016	16,052,848	481,585	481,585	0	481,585	16,052,848
2016 - 2017	16,052,848	481,585	481,585	0	481,585	16,052,848
2017 - 2018	16,052,848	481,585	481,585	0	481,585	16,052,848
2018 - 2019	16,052,848	481,585	481,585	0	481,585	16,052,848
2019 - 2020	16,052,848	481,585	481,585	0	481,585	16,052,848
2020 - 2021	16,052,848	481,585	481,585	0	481,585	16,052,848
2021 - 2022	16,052,848	481,585	481,585	0	481,585	16,052,848
2022 - 2023	16,052,848	481,585	481,585	0	481,585	16,052,848
2023 - 2024	16,052,848	481,585	481,585	0	481,585	16,052,848
2024 - 2025	16,052,848	481,585	481,585	0	481,585	16,052,848
2025 - 2026	16,052,848	481,585	481,585	500,000	981,585	15,552,848
2026 - 2027	15,552,848	466,585	466,585	500,000	966,585	15,052,848
2027 - 2028	15,052,848	451,585	451,585	600,000	1,051,585	14,452,848
2028 - 2029	14,452,848	433,585	433,585	800,000	1,233,585	13,652,848
2029 - 2030	13,652,848	409,585	409,585	1,100,000	1,509,585	12,552,848
2030 - 2031	12,552,848	376,585	376,585	1,100,000	1,476,585	11,452,848
2031 - 2032	11,452,848	343,585	343,585	1,100,000	1,443,585	10,352,848
2032 - 2033	10,352,848	310,585	310,585	1,300,000	1,610,585	9,052,848
2033 - 2034	9,052,848	271,585	271,585	1,300,000	1,571,585	7,752,848
2034 - 2035	7,752,848	232,585	232,585	1,300,000	1,532,585	6,452,848
2035 - 2036	6,452,848	193,585	193,585	1,500,000	1,693,585	4,952,848
2036 - 2037	4,952,848	148,585	148,585	1,500,000	1,648,585	3,452,848
2037 - 2038	3,452,848	103,585	103,585	1,500,000	1,603,585	1,952,848
2038 - 2039	1,952,848	58,585	58,585	1,500,000	1,558,585	452,848
2039 - 2040	452,848	13,585	13,585	452,848	466,433	(0)
Cumulative Total		11,519,563	11,519,563	22,052,848	33,572,411	

EXHIBIT B

Alternative Payment Schedule

[See attached]

Exhibit B
Agency Loan Repayment to City
Assuming RDA Ends July 1, 2011

Fiscal Year	Beginning Balance	Interest at 3%	Interest Payment Amount	Principal Payment	Total Payment	Ending Balance
2009 - 2010	22,052,848	N/A	N/A	6,000,000	6,000,000	16,052,848
2010 - 2011	16,052,848	481,585	481,585	12,750,789	13,232,374	3,302,059
2011 - 2012	3,302,059	99,062	99,062	2,100,000	2,199,062	1,202,059
2012 - 2013	1,202,059	36,062	36,062	1,202,059	1,238,121	(0)
Cumulative Total		616,709	616,709	22,052,848	22,669,557	

The repayment schedule assumes that the Agency will need to meet the following other obligations prior to repaying the City loan.

- Property Tax Admin Fees
- Housing Set-aside
- Negotiated Tax Sharing Payments
- Development agreement payments to Land O Lakes and Cheese and Protein
- Bond Debt service.

It assumes no future payments per 33607.5 or 33607.7 of the CRL nor administrative and operating costs of the Project Area.

Principal Payment for 2010-11 includes \$6,950,789 in value from land transferred to the City.

Any unpaid amounts in a fiscal year shall extend the repayment schedule until the City is paid in full.

EXHIBIT C

Agency Owned Commercial and Industrial Property Available

[See attached]

EXHIBIT "C"

Agency Owned Commercial and Industrial Property Available							
APN	ADDRESS	ACQUISITION DATE	AREA	USE	LOCATION	APPRaised VALUE	STATUS
170-232-016 & 017	Between N Street & O Street, north of trail	11/18/06	45,000 s.f	C-2	Santa Fe Trails	\$325,000	Available for redevelopment
170-241-011 & 012	Between N Street & O Street, south of trail	11/18/06	45,000 s.f.	C-2	Santa Fe Trails	\$320,000	Available for redevelopment
170-242-016 & 017	Between M Street & N Street, south of trail	11/18/06	41,250 s.f.	C-2	Santa Fe Trails	\$295,000	Available for redevelopment
170-233-012	Northeast corner of O and Santa Fe Trail	11/18/06	51,540 s.f.	C-2	Santa Fe Trails	\$360,000	Available for redevelopment
170-263-016	400 Block North "K" St.		3,750 s.f.	C-3	Lot 32, Block 73 north of City Transit Center	\$91,120	Vacant Land
181-040-014 & 015	1316 So K Street	5/1/07		M-1	Old Palm Hotel	\$441,685	Available for redevelopment
170-232-010	450 1/2 North N Street	11/3/08	5,625	C-4	vacant	\$86,000	Available for redevelopment
170-232-011	446 North N Street	11/3/08	5,625	C-4	vacant	\$90,000	Available for redevelopment
191-350-010 & 011	South K Street	1/1/06	5 acres	Commercial	Former Imperial Anchor	\$160,535	Available for redevelopment
176-076-004	113-117 South M Street	5/11/10	5000 sqft	Commercial	Multi-Tenant Office/Retail	\$330,000	Available for redevelopment tenant occupied
170-263-002	424 North K Street	1/8/08	7500	Commercial	Former Tulare Glass	\$240,000	Available for redevelopment
176-031-001	335 South K Street	6/12/07	11742 sqft	commercial	Pet Center	295,000	Available for redevelopment
176-082-010	134 S. K Street	12/10/11	6818	C-3	Old Uniform Shoppe	\$350,000	Available for redevelopment
170-232-008	424 North N Street	8/4/2008	7500 sq ft	C-3	commercial, formerly Papa Joe's	\$385,000	Available for redevelopment-Currently leased to Tulare Em. Aid
portion of 872-54-2C-13 (169-140-013 & 014)	SW Corner J & Cross	2/7/07	121,388 s.f.	C-4	Railroad Property	\$538,098	Executed option w/Orosco
170-261-001 APN changed to 170-261-016	Portion 400 Block No K lots 25 to 29 block 90	2/3/07	22,330 s.f.	C-3	Vacant Land/Intermodal	\$118,695	Being Developed into Parking area for Intermodal
170-261-012 APN changed to 170-261-015	420 North J Street lots 4 to 16 block 90	2/3/07	18,450 s.f.	C-3	Vacant Land/Intermodal	\$98,239	Being Developed into Parking area for Intermodal
170-253-006 APN changed to 170-253-017	309 North M	6/1/98	7,500 s.f	RM-2	SW Corner of M and San Joaquin	\$117,000	Pending Salvation Army Commitment
170-253-007 APN changed to 170-253-017	328 E San Joaquin	6/1/98	3750 s.f	RM-2	SW Corner of M and San Joaquin		Pending Salvation Army Commitment
181-050-010	510 Almond Court	8/29/08	15,065 sq. ft.	commercial	single family residence	\$193,681	RDA Owned- Parking lot
191-070-015	1285 E. Paige Avenue	3/26/2008	6.62 acres or 576,734 square feet	commercial	Perry's Restaurant	\$1,650,000	Vacant pending Paige Avenue Expansion
181-040-003	511 E O'Neal	4/3/07	14000s.f.	M-1	Vacant Land	\$125,340	In negotiation with County School District
181-040-004	525 E O'Neal	4/3/07	7200s.f. 43,347 sf	M-1	Vacant Land	\$135,401	
181-040-005	541 E O'Neal	4/3/07	14000 s.f.	M-1	Vacant Land	\$151,685	
181-040-006	561 E O'Neal	6/4/07	7200 s.f.	M-1	Vacant Land	\$53,310	

TOTAL APPRAISED VALUE OF PROPERTIES LISTED: \$6,950,789



November 7, 2014

Ms. Darlene Thompson, Finance Director/Treasurer
City of Tulare
411 East Kern Avenue
Tulare, CA 93274

Dear Ms. Thompson:

Subject: Oversight Board Action Review

The City of Tulare Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 24, 2014 Oversight Board (OB) resolution on September 26, 2014. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, the Agency's OB Resolution 14-04, making a finding pursuant to HSC section 34191.4 (b) (1) that a loan entered into by and between the City of Tulare (City) and the former Redevelopment Agency (RDA) was for a legitimate redevelopment purpose, is partially approved.

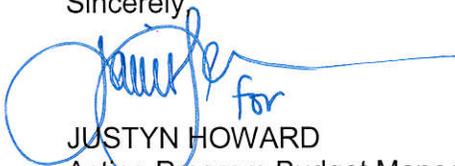
Finance approves the OB action making a finding that the March 9, 2011 loan agreement between the RDA and the City was for a legitimate redevelopment purpose and the repayment of the City loan is subject to the formula outlined HSC section 34191.4 (b) (2) (A).

However, due to the pending litigation between the Agency and the California State Controller, Finance cannot approve the total outstanding principal amount of the loan and its eligibility for repayment at this time.

In the event the OB desires to amend the portion of the resolution not approved by Finance, Finance is returning it to the board for reconsideration. However, the Agency can move forward with the portion of the resolution approved by Finance.

Please direct inquiries to Beliz Chappuie, Supervisor, or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,


JUSTYN HOWARD
Acting Program Budget Manager

cc: on the following page

Ms. Darlene Thompson

November 7, 2014

Page 2

cc: Ms. Roxanne Yoder, Chief Deputy City Clerk, City of Tulare
Ms. Rita A. Woodward, Auditor-Controller, Tulare County
Ms. Elizabeth Gonzalez, Bureau Chief, Local Government Audit Bureau, California State
Controller's Office
California State Controller's Office

SETTLEMENT AGREEMENT

A. On September 11, 2013, the City of Tulare ("City") and the Tulare Redevelopment Agency Successor Agency ("Successor Agency") (collectively, "Petitioners") initiated *City of Tulare, et al. v. John Chiang, et al.*, Sacramento Superior Court Case No. 34-2013-80001638 (the "Trial"). Petitioners filed a First Amended Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief ("Petition") in the Trial on August 28, 2014.

B. The Petition's principal claim concerns an order John Chiang, in his official capacity as California State Controller ("State Controller"), issued on December 21, 2012, directing the City to return certain assets to the Successor Agency (the "Order"). The trial court entered judgment against Petitioners in the Trial, and Petitioners subsequently filed an appeal. As of the date of this Agreement, Petitioners' appeal remains pending as *City of Tulare, et al. v. Betty T. Yee, et al.*, Case No. C078718 (the "Appeal").

1. SETTLEMENT TERMS

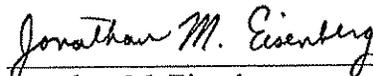
1.1 Petitioners will dismiss the Appeal and withdraw or otherwise forego any other challenges to the State Controller's Order.

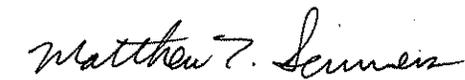
1.2 In exchange, the State Controller (now Betty T. Yee) waives any and all claims to attorneys' fees or costs associated with both the Trial and Appeal.

In witness whereof, the parties hereto have so AGREED.

Office of the California Attorney General

Colantuono, Highsmith & Whatley, PC


Jonathan M. Eisenberg



Attorney for Betty T. Yee, in her official
capacity as California State Controller

Holly O. Whatley
Matthew T. Summers
Attorneys for City of Tulare and Tulare
Redevelopment Agency Successor Agency

Dated: 6-24-16

Dated: 6/24/16

No. C078718

Exempt from Filing Fees
Government Code § 6103

In the Court of Appeal, State of California

THIRD APPELLATE DISTRICT

CITY OF TULARE, et al.,
Plaintiffs and Appellants

vs.

**BETTY T. YEE, in her Official Capacity as California
State Controller, et al.,**
Defendants and Respondents.

Appeal from the Superior Court of the State of California
County of Sacramento. Case No. 34-2013-80001638
Honorable Shelleyanne W.L. Chang, Judge Presiding

**STIPULATION TO DISMISS APPEAL;
[PROPOSED] ORDER DISMISSING APPEAL**

*HOLLY O. WHATLEY, State Bar No. 160259
HWhatley@chwlaw.us
MATTHEW T. SUMMERS, State Bar No. 280496
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JON R. DI CRISTINA, State Bar No. 282278
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Telephone: (213) 542-5700
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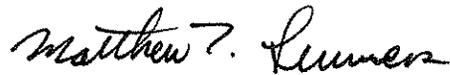
Attorneys for City of Tulare, et al.

Pursuant to Rule 8.244, subdivision (a), of the California Rules of Court, the parties, by their counsel of record, are providing notice that the City of Tulare and the Tulare Redevelopment Agency Successor Agency, on one hand, and Betty T. Lee, in her official capacity as California State Controller, on the other hand, have reached a full and complete settlement of this matter. Accordingly, the City of Tulare and the Tulare Redevelopment Agency Successor Agency abandon their appeal in this action filed on March 5, 2015.

All parties stipulate to the dismissal of this appeal against all parties, with prejudice, and for each party to bear its own costs and attorney's fees. Each party also agrees to an immediate issuance of remittitur.

DATED: June 24, 2016

**COLANTUONO, HIGHSMITH &
WHATLEY, PC**



HOLLY O. WHATLEY
MATTEW T. SUMMERS
JON R. DI CRISTINA
Attorneys for Appellants
CITY OF TULARE and TULARE
REDEVELOPMENT AGENCY
SUCCESSOR AGENCY

DATED: June 2, 2016

**OFFICE OF THE ATTORNEY
GENERAL**

Jonathan M. Eisenberg

JONATHAN M. EISENBERG

Attorneys for Respondent

**BETTY T. YEE, in her official capacity as
California State Controller**

ORDER DISMISSING APPEAL

Pursuant to the stipulation of the parties, the appeal in this matter is hereby dismissed against all parties without costs to any party under California Rules of Court, rule 8.244, subdivision (c).

The remittitur shall issue forthwith.

DATE: _____

JUDGE OF THE COURT OF APPEAL



Via Electronic Mail

To: Sue Copeland, Chief Accountant – Property Tax Division
TULARE COUNTY AUDITOR CONTROLLER

Sylvia Seay, Accountant III – Property Tax Division
TULARE COUNTY AUDITOR-CONTROLLER

From: Darlene Thompson, Finance Director
CITY OF TULARE

Date: July 25, 2016

**SUBJECT: CITY OF TULARE – TULARE REDEVELOPMENT AGENCY LOAN
REPAYMENT AND FISCAL YEAR 2012-13 RESIDUAL RPTTF REVENUE**

The City of Tulare (“City”) seeks assistance from the Tulare County Auditor-Controller (“Auditor-Controller”) to officially establish the correct Fiscal Year (“FY”) 2012-13 residual Redevelopment Property Tax Trust Fund (“RPTTF”) revenue reported on the County’s RPTTF Distribution Report. Correcting the report is critical so that a loan owed to the City by the Successor Agency to the Tulare Redevelopment Agency (“Successor Agency”) can be repaid sooner. The faster repayment schedule would allow approximately \$5.3 million more to go to affected taxing entities, including Tulare County, through FY 2051-52.

City of Tulare Loan

The City and the former Tulare Redevelopment Agency (“RDA”) entered into a Loan Repayment Agreement (“City Loan”) on April 20, 2010, which was subsequently amended three times. In order to assist the RDA in carrying out its redevelopment activities, the City had advanced funds to the RDA in accordance with cooperation agreements for individual redevelopment projects. The third amendment formally acknowledged the amount of outstanding advances and established formal repayment terms, with annual payments due on June 30 of each year and a simple interest rate of three percent. Following a \$6 million principal payment during FY 2009-2010, the total amount owed by the RDA to the City as of June 30, 2010 was \$16,052,848.

In FY 2010-11, the RDA made a \$12,285,053 payment to the City using three funding sources:

- Unspent bond proceeds totaling \$4,165,038 to cover projects pursuant to the bond indenture
- A land transfer valued at \$6,485,053
- A cash payment of \$1,634,962

On December 29, 2011, the California Supreme Court issued its decision in CRA v. Matosantos, upholding Assembly Bill (“AB”) x1 26 and overturning ABx1 27. That decision dissolved all redevelopment agencies in California and eliminated the “voluntary alternative redevelopment program.” All California redevelopment agencies were therefore dissolved on February 1, 2012, and successor agencies assumed the former redevelopment agencies’ responsibilities and obligations. The City elected to serve as the Successor Agency, a separate legal entity. The State enacted AB 1484 in June 2012 to clarify certain aspects of redevelopment dissolution and provide additional guidance.

The State Controller’s Office (“SCO”) ordered the City on December 21, 2012 to reverse the loan payments following a Successor Agency audit. The City and the Successor Agency litigated the ordered reversal of the loan payments, which had been made prior to redevelopment dissolution. The trial court entered judgement against the City and the Successor Agency, who appealed the initial decision. On June 24, 2016, the City and the Successor Agency entered into a settlement agreement with the SCO, agreeing to reverse the loan repayment.

Having settled its lawsuit against the SCO and received the reversed transfer of funds from the City, the Successor Agency seeks to confirm its finding of legitimacy on the City Loan, prepare a repayment schedule, and secure Oversight Board and Department of Finance approval to repay the City Loan through the Recognized Obligation Payment Schedule (“ROPS”) process.

City Loan Repayment

Health and Safety Code Section 34191.4 (b) (3) sets a maximum annual repayment amount on City-RDA loans. Scheduled repayments on the ROPS cannot exceed 50% of the incremental growth of residual RPTTF revenues using a FY 2012-13 base year. The maximum City-RDA loan repayment in a given year is:

$$\frac{(\text{Prior Fiscal Year Residual RPTTF} - \text{FY 2012-13 Residual RPTTF})}{2}$$

2

For example, if the residual RPTTF was \$1 million in FY 2015-16 and \$500,000 in FY 2012-13, the maximum loan repayment in FY 2016-17 would be:

$$\frac{(\$1,000,000 - \$500,000)}{2} = \$250,000$$

2

With regard to City-RDA loan repayment, FY 2012-13 includes the ROPS II and ROPS III periods. The amount of residual RPTTF reported and distributed in ROPS II for Tulare was \$2,502,897; in ROPS III, it was \$0. Assuming RPTTF deposits grow by two percent per year, it is projected the City Loan will be repaid beginning in FY 2025-26 and ending in FY 2051-52 (See Attachment 1).

However, the Successor Agency believes that the base year residual RPTTF amount should be significantly reduced. The Auditor-Controller distributed \$2,502,897 million in residual RPTTF in the ROPS II period because it assumed the Successor Agency had not made any pass-through payments in the ROPS I period, which it had. The Successor Agency challenged the County’s

calculation as part of the July 2012 true-up payment process. The County later agreed and returned money to the Successor Agency, thereby acknowledging that there was an error made in the original calculation.

Furthermore, the Auditor-Controller’s calculation of the residual RPTTF excluded the payment of ROPS II enforceable obligations, which should have been included. If the ROPS II period residual RPTTF calculation correctly incorporated the ROPS I pass through payment and the ROPS II enforceable obligations, the base year residual RPTTF would be \$168,154. This would accelerate repayment of the City Loan to begin in FY 2017-18 and end in FY 2039-40 (See Attachment 2).

A summary of each loan repayment scenario is below. Correcting the base year residual value would allow \$5,287,403 more to go to affected taxing entities instead of paying City Loan interest.

TULARE CITY-RDA LOAN REPAYMENT SCENARIOS

	Published Base Year Residual	Adjusted Base Year Residual
FY 2012-13 Residual RPTTF	\$2,502,897	\$168,154
Repayment Term		
Begins	2025-26	2017-18
Ends	2051-52	2039-40
Total Loan Repayment	\$ 29,840,726	\$ 24,553,323
Principal	16,052,848	16,052,848
Interest	13,787,878	8,500,475

Base Year Residual Value Adjustment

The Successor Agency previously contacted the Auditor-Controller and asked for a revised ROPS II RPTTF distribution report to confirm the County’s agreement with the revised base year residual value. In consultation with the Department of Finance, the Auditor-Controller asked the Successor Agency to indicate the statutory authority allowing changes to previous RPTTF distribution reports. The Successor Agency is unaware of such a statutory authority.

The Successor Agency believed that a revised RPTTF distribution report would be the best way to correct officially the erroneous base year residual calculation. If RPTTF distribution reports cannot be revised, the Successor Agency is open to alternative approaches to establish the correct base year residual for the purposes of calculating the maximum loan repayment amount.

In order to secure DOF approval for the loan repayment as an enforceable obligation, which requires approval of a loan repayment schedule, and loan payments on subsequent ROPS, the Successor Agency requests that the Auditor-Controller provide a letter agreeing to the corrected ROPS II residual amount or suggest an alternative approach to establishing the revised base year residual RPTTF value as the correct one and indicating it is appropriate for use in calculating the City Loan repayment.

Note: Only input values in cells with RED font.

County Name		Tulare			Agency Name		Tulare		
LOAN REPAYMENT CALCULATION:									
Base Year Residual RPTTF = \$2,502,897									
Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)	
1/1/2010	\$ 16,052,848	\$ 16,052,848	\$ 16,052,848	3%	\$ 120,396	\$ 16,173,244	\$ -	\$ -	
4/1/2010	-	16,052,848	16,173,244	3%	120,396	16,293,641	-	-	
7/1/2010	-	16,052,848	16,293,641	3%	120,396	16,414,037	-	-	
10/1/2010	-	16,052,848	16,414,037	3%	120,396	16,534,433	-	-	
1/1/2011	-	16,052,848	16,534,433	3%	120,396	16,654,830	-	-	
4/1/2011	-	16,052,848	16,654,830	3%	120,396	16,775,226	-	-	
7/1/2011	-	16,052,848	16,775,226	3%	120,396	16,895,623	-	-	
10/1/2011	-	16,052,848	16,895,623	3%	120,396	17,016,019	-	-	
1/1/2012	-	16,052,848	17,016,019	3%	120,396	17,136,415	-	-	
4/1/2012	-	16,052,848	17,136,415	3%	120,396	17,256,812	-	-	
7/1/2012	-	16,052,848	17,256,812	3%	120,396	17,377,208	-	-	
10/1/2012	-	16,052,848	17,377,208	3%	120,396	17,497,604	-	-	
1/1/2013	-	16,052,848	17,497,604	3%	120,396	17,618,001	-	-	
4/1/2013	-	16,052,848	17,618,001	3%	120,396	17,738,397	-	-	
7/1/2013	-	16,052,848	17,738,397	3%	120,396	17,858,793	-	-	
10/1/2013	-	16,052,848	17,858,793	3%	120,396	17,979,190	-	-	
1/1/2014	-	16,052,848	17,979,190	3%	120,396	18,099,586	-	-	
4/1/2014	-	16,052,848	18,099,586	3%	120,396	18,219,982	-	-	
7/1/2014	-	16,052,848	18,219,982	3%	120,396	18,340,379	-	-	
10/1/2014	-	16,052,848	18,340,379	3%	120,396	18,460,775	-	-	
1/1/2015	-	16,052,848	18,460,775	3%	120,396	18,581,172	-	-	
4/1/2015	-	16,052,848	18,581,172	3%	120,396	18,701,568	-	-	
7/1/2015	-	16,052,848	18,701,568	3%	120,396	18,821,964	-	-	
10/1/2015	-	16,052,848	18,821,964	3%	120,396	18,942,361	-	-	
1/1/2016	-	16,052,848	18,942,361	3%	120,396	19,062,757	-	-	
4/1/2016	-	16,052,848	19,062,757	3%	120,396	19,183,153	-	-	
7/1/2016	-	16,052,848	19,183,153	3%	120,396	19,303,550	-	-	
10/1/2016	-	16,052,848	19,303,550	3%	120,396	19,423,946	-	-	
1/1/2017	-	16,052,848	19,423,946	3%	120,396	19,544,342	-	-	
4/1/2017	-	16,052,848	19,544,342	3%	120,396	19,664,739	-	-	
7/1/2017	-	16,052,848	19,664,739	3%	120,396	19,785,135	-	-	
10/1/2017	-	16,052,848	19,785,135	3%	120,396	19,905,532	-	-	
1/1/2018	-	16,052,848	19,905,532	3%	120,396	20,025,928	-	-	
4/1/2018	-	16,052,848	20,025,928	3%	120,396	20,146,324	-	-	

LOAN REPAYMENT CALCULATION:

Base Year Residual RPTTF = \$2,502,897

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2018	-	16,052,848	20,146,324	3%	120,396	20,266,721	-	-
10/1/2018	-	16,052,848	20,266,721	3%	120,396	20,387,117	-	-
1/1/2019	-	16,052,848	20,387,117	3%	120,396	20,507,513	-	-
4/1/2019	-	16,052,848	20,507,513	3%	120,396	20,627,910	-	-
7/1/2019	-	16,052,848	20,627,910	3%	120,396	20,748,306	-	-
10/1/2019	-	16,052,848	20,748,306	3%	120,396	20,868,702	-	-
1/1/2020	-	16,052,848	20,868,702	3%	120,396	20,989,099	-	-
4/1/2020	-	16,052,848	20,989,099	3%	120,396	21,109,495	-	-
7/1/2020	-	16,052,848	21,109,495	3%	120,396	21,229,891	-	-
10/1/2020	-	16,052,848	21,229,891	3%	120,396	21,350,288	-	-
1/1/2021	-	16,052,848	21,350,288	3%	120,396	21,470,684	-	-
4/1/2021	-	16,052,848	21,470,684	3%	120,396	21,591,081	-	-
7/1/2021	-	16,052,848	21,591,081	3%	120,396	21,711,477	-	-
10/1/2021	-	16,052,848	21,711,477	3%	120,396	21,831,873	-	-
1/1/2022	-	16,052,848	21,831,873	3%	120,396	21,952,270	-	-
4/1/2022	-	16,052,848	21,952,270	3%	120,396	22,072,666	-	-
7/1/2022	-	16,052,848	22,072,666	3%	120,396	22,193,062	-	-
10/1/2022	-	16,052,848	22,193,062	3%	120,396	22,313,459	-	-
1/1/2023	-	16,052,848	22,313,459	3%	120,396	22,433,855	-	-
4/1/2023	-	16,052,848	22,433,855	3%	120,396	22,554,251	-	-
7/1/2023	-	16,052,848	22,554,251	3%	120,396	22,674,648	-	-
10/1/2023	-	16,052,848	22,674,648	3%	120,396	22,795,044	-	-
1/1/2024	-	16,052,848	22,795,044	3%	120,396	22,915,441	-	-
4/1/2024	-	16,052,848	22,915,441	3%	120,396	23,035,837	-	-
7/1/2024	-	16,052,848	23,035,837	3%	120,396	23,156,233	-	-
10/1/2024	-	16,052,848	23,156,233	3%	120,396	23,276,630	-	-
1/1/2025	-	16,052,848	23,276,630	3%	120,396	23,397,026	-	-
4/1/2025	-	16,052,848	23,397,026	3%	120,396	23,517,422	-	-
7/1/2025	-	16,052,848	23,517,422	3%	120,396	23,637,819	-	-
10/1/2025	-	16,052,848	23,637,819	3%	120,396	23,758,215	-	-
1/1/2026	-	16,052,848	23,758,215	3%	120,396	23,878,611	-	-
4/1/2026	-	16,052,848	23,878,611	3%	120,396	23,999,008	3,930	-
7/1/2026	-	16,048,918	23,995,078	3%	120,367	24,115,445	-	-
10/1/2026	-	16,048,918	24,115,445	3%	120,367	24,235,812	-	-
1/1/2027	-	16,048,918	24,235,812	3%	120,367	24,356,178	-	-
4/1/2027	-	16,048,918	24,356,178	3%	120,367	24,476,545	439,142	-

LOAN REPAYMENT CALCULATION:

Base Year Residual RPTTF = \$2,502,897

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2027	-	15,609,776	24,037,403	3%	117,073	24,154,476	-	-
10/1/2027	-	15,609,776	24,154,476	3%	117,073	24,271,550	-	-
1/1/2028	-	15,609,776	24,271,550	3%	117,073	24,388,623	-	-
4/1/2028	-	15,609,776	24,388,623	3%	117,073	24,505,696	440,625	-
7/1/2028	-	15,169,150	24,065,071	3%	113,769	24,178,840	-	-
10/1/2028	-	15,169,150	24,178,840	3%	113,769	24,292,608	-	-
1/1/2029	-	15,169,150	24,292,608	3%	113,769	24,406,377	-	-
4/1/2029	-	15,169,150	24,406,377	3%	113,769	24,520,145	484,013	-
7/1/2029	-	14,685,138	24,036,133	3%	110,139	24,146,271	-	-
10/1/2029	-	14,685,138	24,146,271	3%	110,139	24,256,410	-	-
1/1/2030	-	14,685,138	24,256,410	3%	110,139	24,366,548	-	-
4/1/2030	-	14,685,138	24,366,548	3%	110,139	24,476,687	509,262	-
7/1/2030	-	14,175,876	23,967,425	3%	106,319	24,073,744	-	-
10/1/2030	-	14,175,876	24,073,744	3%	106,319	24,180,063	-	-
1/1/2031	-	14,175,876	24,180,063	3%	106,319	24,286,382	-	-
4/1/2031	-	14,175,876	24,286,382	3%	106,319	24,392,701	541,594	-
7/1/2031	-	13,634,282	23,851,107	3%	102,257	23,953,364	-	-
10/1/2031	-	13,634,282	23,953,364	3%	102,257	24,055,621	-	-
1/1/2032	-	13,634,282	24,055,621	3%	102,257	24,157,879	-	-
4/1/2032	-	13,634,282	24,157,879	3%	102,257	24,260,136	568,721	-
7/1/2032	-	13,065,561	23,691,415	3%	97,992	23,789,407	-	-
10/1/2032	-	13,065,561	23,789,407	3%	97,992	23,887,398	-	-
1/1/2033	-	13,065,561	23,887,398	3%	97,992	23,985,390	-	-
4/1/2033	-	13,065,561	23,985,390	3%	97,992	24,083,382	595,032	-
7/1/2033	-	12,470,529	23,488,350	3%	93,529	23,581,878	-	-
10/1/2033	-	12,470,529	23,581,878	3%	93,529	23,675,407	-	-
1/1/2034	-	12,470,529	23,675,407	3%	93,529	23,768,936	-	-
4/1/2034	-	12,470,529	23,768,936	3%	93,529	23,862,465	628,568	-
7/1/2034	-	11,841,961	23,233,898	3%	88,815	23,322,712	-	-
10/1/2034	-	11,841,961	23,322,712	3%	88,815	23,411,527	-	-
1/1/2035	-	11,841,961	23,411,527	3%	88,815	23,500,342	-	-
4/1/2035	-	11,841,961	23,500,342	3%	88,815	23,589,157	650,382	-
7/1/2035	-	11,191,579	22,938,774	3%	83,937	23,022,711	-	-
10/1/2035	-	11,191,579	23,022,711	3%	83,937	23,106,648	-	-
1/1/2036	-	11,191,579	23,106,648	3%	83,937	23,190,585	-	-
4/1/2036	-	11,191,579	23,190,585	3%	83,937	23,274,521	682,915	-

LOAN REPAYMENT CALCULATION:

Base Year Residual RPTTF = \$2,502,897

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2036	-	10,508,663	22,591,606	3%	78,815	22,670,421	-	-
10/1/2036	-	10,508,663	22,670,421	3%	78,815	22,749,236	-	-
1/1/2037	-	10,508,663	22,749,236	3%	78,815	22,828,051	-	-
4/1/2037	-	10,508,663	22,828,051	3%	78,815	22,906,866	712,548	-
7/1/2037	-	9,796,116	22,194,319	3%	73,471	22,267,789	-	-
10/1/2037	-	9,796,116	22,267,789	3%	73,471	22,341,260	-	-
1/1/2038	-	9,796,116	22,341,260	3%	73,471	22,414,731	-	-
4/1/2038	-	9,796,116	22,414,731	3%	73,471	22,488,202	790,112	-
7/1/2038	-	9,006,004	21,698,090	3%	67,545	21,765,635	-	-
10/1/2038	-	9,006,004	21,765,635	3%	67,545	21,833,180	-	-
1/1/2039	-	9,006,004	21,833,180	3%	67,545	21,900,725	-	-
4/1/2039	-	9,006,004	21,900,725	3%	67,545	21,968,270	795,611	-
7/1/2039	-	8,210,393	21,172,659	3%	61,578	21,234,237	-	-
10/1/2039	-	8,210,393	21,234,237	3%	61,578	21,295,815	-	-
1/1/2040	-	8,210,393	21,295,815	3%	61,578	21,357,393	-	-
4/1/2040	-	8,210,393	21,357,393	3%	61,578	21,418,971	835,801	-
7/1/2040	-	7,374,592	20,583,170	3%	55,309	20,638,480	-	-
10/1/2040	-	7,374,592	20,638,480	3%	55,309	20,693,789	-	-
1/1/2041	-	7,374,592	20,693,789	3%	55,309	20,749,098	-	-
4/1/2041	-	7,374,592	20,749,098	3%	55,309	20,804,408	860,277	-
7/1/2041	-	6,514,315	19,944,131	3%	48,857	19,992,988	-	-
10/1/2041	-	6,514,315	19,992,988	3%	48,857	20,041,845	-	-
1/1/2042	-	6,514,315	20,041,845	3%	48,857	20,090,703	-	-
4/1/2042	-	6,514,315	20,090,703	3%	48,857	20,139,560	1,758,001	-
7/1/2042	-	4,756,314	18,381,559	3%	35,672	18,417,231	-	-
10/1/2042	-	4,756,314	18,417,231	3%	35,672	18,452,904	-	-
1/1/2043	-	4,756,314	18,452,904	3%	35,672	18,488,576	-	-
4/1/2043	-	4,756,314	18,488,576	3%	35,672	18,524,248	1,569,021	-
7/1/2043	-	3,187,292	16,955,227	3%	23,905	16,979,132	-	-
10/1/2043	-	3,187,292	16,979,132	3%	23,905	17,003,036	-	-
1/1/2044	-	3,187,292	17,003,036	3%	23,905	17,026,941	-	-
4/1/2044	-	3,187,292	17,026,941	3%	23,905	17,050,846	1,696,591	-
7/1/2044	-	1,490,701	15,354,254	3%	11,180	15,365,435	-	-
10/1/2044	-	1,490,701	15,365,435	3%	11,180	15,376,615	-	-
1/1/2045	-	1,490,701	15,376,615	3%	11,180	15,387,795	-	-
4/1/2045	-	1,490,701	15,387,795	3%	11,180	15,398,975	1,490,701	216,851

LOAN REPAYMENT CALCULATION:
Base Year Residual RPTTF = \$2,502,897

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2045	-	-	13,691,424	3%	-	13,691,424	-	-
10/1/2045	-	-	13,691,424	3%	-	13,691,424	-	-
1/1/2046	-	-	13,691,424	3%	-	13,691,424	-	-
4/1/2046	-	-	13,691,424	3%	-	13,691,424	-	1,778,311
7/1/2046	-	-	11,913,113	3%	-	11,913,113	-	-
10/1/2046	-	-	11,913,113	3%	-	11,913,113	-	-
1/1/2047	-	-	11,913,113	3%	-	11,913,113	-	-
4/1/2047	-	-	11,913,113	3%	-	11,913,113	-	1,820,696
7/1/2047	-	-	10,092,417	3%	-	10,092,417	-	-
10/1/2047	-	-	10,092,417	3%	-	10,092,417	-	-
1/1/2048	-	-	10,092,417	3%	-	10,092,417	-	-
4/1/2048	-	-	10,092,417	3%	-	10,092,417	-	1,878,823
7/1/2048	-	-	8,213,593	3%	-	8,213,593	-	-
10/1/2048	-	-	8,213,593	3%	-	8,213,593	-	-
1/1/2049	-	-	8,213,593	3%	-	8,213,593	-	-
4/1/2049	-	-	8,213,593	3%	-	8,213,593	-	1,930,666
7/1/2049	-	-	6,282,927	3%	-	6,282,927	-	-
10/1/2049	-	-	6,282,927	3%	-	6,282,927	-	-
1/1/2050	-	-	6,282,927	3%	-	6,282,927	-	-
4/1/2050	-	-	6,282,927	3%	-	6,282,927	-	2,034,369
7/1/2050	-	-	4,248,558	3%	-	4,248,558	-	-
10/1/2050	-	-	4,248,558	3%	-	4,248,558	-	-
1/1/2051	-	-	4,248,558	3%	-	4,248,558	-	-
4/1/2051	-	-	4,248,558	3%	-	4,248,558	-	2,066,692
7/1/2051	-	-	2,181,866	3%	-	2,181,866	-	-
10/1/2051	-	-	2,181,866	3%	-	2,181,866	-	-
1/1/2052	-	-	2,181,866	3%	-	2,181,866	-	-
4/1/2052	-	-	2,181,866	3%	-	2,181,866	-	2,181,866
7/1/2052	-	-	-	3%	-	-	-	-

Note: Only input values in cells with RED font.

County Name		Tulare			Agency Name		Tulare		
LOAN REPAYMENT CALCULATION:									
Base Year Residual RPTTF = \$168,154									
Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)	
1/1/2010	\$ 16,052,848	\$ 16,052,848	\$ 16,052,848	3%	\$ 120,396	\$ 16,173,244	\$ -	\$ -	
4/1/2010	-	16,052,848	16,173,244	3%	120,396	16,293,641	-	-	
7/1/2010	-	16,052,848	16,293,641	3%	120,396	16,414,037	-	-	
10/1/2010	-	16,052,848	16,414,037	3%	120,396	16,534,433	-	-	
1/1/2011	-	16,052,848	16,534,433	3%	120,396	16,654,830	-	-	
4/1/2011	-	16,052,848	16,654,830	3%	120,396	16,775,226	-	-	
7/1/2011	-	16,052,848	16,775,226	3%	120,396	16,895,623	-	-	
10/1/2011	-	16,052,848	16,895,623	3%	120,396	17,016,019	-	-	
1/1/2012	-	16,052,848	17,016,019	3%	120,396	17,136,415	-	-	
4/1/2012	-	16,052,848	17,136,415	3%	120,396	17,256,812	-	-	
7/1/2012	-	16,052,848	17,256,812	3%	120,396	17,377,208	-	-	
10/1/2012	-	16,052,848	17,377,208	3%	120,396	17,497,604	-	-	
1/1/2013	-	16,052,848	17,497,604	3%	120,396	17,618,001	-	-	
4/1/2013	-	16,052,848	17,618,001	3%	120,396	17,738,397	-	-	
7/1/2013	-	16,052,848	17,738,397	3%	120,396	17,858,793	-	-	
10/1/2013	-	16,052,848	17,858,793	3%	120,396	17,979,190	-	-	
1/1/2014	-	16,052,848	17,979,190	3%	120,396	18,099,586	-	-	
4/1/2014	-	16,052,848	18,099,586	3%	120,396	18,219,982	-	-	
7/1/2014	-	16,052,848	18,219,982	3%	120,396	18,340,379	-	-	
10/1/2014	-	16,052,848	18,340,379	3%	120,396	18,460,775	-	-	
1/1/2015	-	16,052,848	18,460,775	3%	120,396	18,581,172	-	-	
4/1/2015	-	16,052,848	18,581,172	3%	120,396	18,701,568	-	-	
7/1/2015	-	16,052,848	18,701,568	3%	120,396	18,821,964	-	-	
10/1/2015	-	16,052,848	18,821,964	3%	120,396	18,942,361	-	-	
1/1/2016	-	16,052,848	18,942,361	3%	120,396	19,062,757	-	-	
4/1/2016	-	16,052,848	19,062,757	3%	120,396	19,183,153	-	-	
7/1/2016	-	16,052,848	19,183,153	3%	120,396	19,303,550	-	-	
10/1/2016	-	16,052,848	19,303,550	3%	120,396	19,423,946	-	-	
1/1/2017	-	16,052,848	19,423,946	3%	120,396	19,544,342	-	-	
4/1/2017	-	16,052,848	19,544,342	3%	120,396	19,664,739	-	-	
7/1/2017	-	16,052,848	19,664,739	3%	120,396	19,785,135	-	-	
10/1/2017	-	16,052,848	19,785,135	3%	120,396	19,905,532	-	-	
1/1/2018	-	16,052,848	19,905,532	3%	120,396	20,025,928	-	-	
4/1/2018	-	16,052,848	20,025,928	3%	120,396	20,146,324	715,529	-	

LOAN REPAYMENT CALCULATION:

Base Year Residual RPTTF = **\$168,154**

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2018	-	15,337,319	19,430,796	3%	115,030	19,545,825	-	-
10/1/2018	-	15,337,319	19,545,825	3%	115,030	19,660,855	-	-
1/1/2019	-	15,337,319	19,660,855	3%	115,030	19,775,885	-	-
4/1/2019	-	15,337,319	19,775,885	3%	115,030	19,890,915	463,809	-
7/1/2019	-	14,873,511	19,427,106	3%	111,551	19,538,658	-	-
10/1/2019	-	14,873,511	19,538,658	3%	111,551	19,650,209	-	-
1/1/2020	-	14,873,511	19,650,209	3%	111,551	19,761,760	-	-
4/1/2020	-	14,873,511	19,761,760	3%	111,551	19,873,312	627,992	-
7/1/2020	-	14,245,519	19,245,320	3%	106,841	19,352,161	-	-
10/1/2020	-	14,245,519	19,352,161	3%	106,841	19,459,002	-	-
1/1/2021	-	14,245,519	19,459,002	3%	106,841	19,565,844	-	-
4/1/2021	-	14,245,519	19,565,844	3%	106,841	19,672,685	587,723	-
7/1/2021	-	13,657,795	19,084,962	3%	102,433	19,187,396	-	-
10/1/2021	-	13,657,795	19,187,396	3%	102,433	19,289,829	-	-
1/1/2022	-	13,657,795	19,289,829	3%	102,433	19,392,263	-	-
4/1/2022	-	13,657,795	19,392,263	3%	102,433	19,494,696	671,710	-
7/1/2022	-	12,986,086	18,822,986	3%	97,396	18,920,382	-	-
10/1/2022	-	12,986,086	18,920,382	3%	97,396	19,017,777	-	-
1/1/2023	-	12,986,086	19,017,777	3%	97,396	19,115,173	-	-
4/1/2023	-	12,986,086	19,115,173	3%	97,396	19,212,569	669,477	-
7/1/2023	-	12,316,609	18,543,092	3%	92,375	18,635,466	-	-
10/1/2023	-	12,316,609	18,635,466	3%	92,375	18,727,841	-	-
1/1/2024	-	12,316,609	18,727,841	3%	92,375	18,820,215	-	-
4/1/2024	-	12,316,609	18,820,215	3%	92,375	18,912,590	714,891	-
7/1/2024	-	11,601,718	18,197,699	3%	87,013	18,284,712	-	-
10/1/2024	-	11,601,718	18,284,712	3%	87,013	18,371,725	-	-
1/1/2025	-	11,601,718	18,371,725	3%	87,013	18,458,738	-	-
4/1/2025	-	11,601,718	18,458,738	3%	87,013	18,545,751	767,987	-
7/1/2025	-	10,833,731	17,777,764	3%	81,253	17,859,017	-	-
10/1/2025	-	10,833,731	17,859,017	3%	81,253	17,940,270	-	-
1/1/2026	-	10,833,731	17,940,270	3%	81,253	18,021,523	-	-
4/1/2026	-	10,833,731	18,021,523	3%	81,253	18,102,776	787,308	-
7/1/2026	-	10,046,423	17,315,468	3%	75,348	17,390,816	-	-
10/1/2026	-	10,046,423	17,390,816	3%	75,348	17,466,164	-	-
1/1/2027	-	10,046,423	17,466,164	3%	75,348	17,541,512	-	-
4/1/2027	-	10,046,423	17,541,512	3%	75,348	17,616,860	1,214,825	-

LOAN REPAYMENT CALCULATION:

Base Year Residual RPTTF = **\$168,154**

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2027	-	8,831,598	16,402,036	3%	66,237	16,468,273	-	-
10/1/2027	-	8,831,598	16,468,273	3%	66,237	16,534,510	-	-
1/1/2028	-	8,831,598	16,534,510	3%	66,237	16,600,747	-	-
4/1/2028	-	8,831,598	16,600,747	3%	66,237	16,666,984	1,220,156	-
7/1/2028	-	7,611,442	15,446,828	3%	57,086	15,503,914	-	-
10/1/2028	-	7,611,442	15,503,914	3%	57,086	15,560,999	-	-
1/1/2029	-	7,611,442	15,560,999	3%	57,086	15,618,085	-	-
4/1/2029	-	7,611,442	15,618,085	3%	57,086	15,675,171	1,261,619	-
7/1/2029	-	6,349,823	14,413,552	3%	47,624	14,461,176	-	-
10/1/2029	-	6,349,823	14,461,176	3%	47,624	14,508,799	-	-
1/1/2030	-	6,349,823	14,508,799	3%	47,624	14,556,423	-	-
4/1/2030	-	6,349,823	14,556,423	3%	47,624	14,604,047	1,287,830	-
7/1/2030	-	5,061,993	13,316,217	3%	37,965	13,354,181	-	-
10/1/2030	-	5,061,993	13,354,181	3%	37,965	13,392,146	-	-
1/1/2031	-	5,061,993	13,392,146	3%	37,965	13,430,111	-	-
4/1/2031	-	5,061,993	13,430,111	3%	37,965	13,468,076	1,319,681	-
7/1/2031	-	3,742,312	12,148,395	3%	28,067	12,176,462	-	-
10/1/2031	-	3,742,312	12,176,462	3%	28,067	12,204,530	-	-
1/1/2032	-	3,742,312	12,204,530	3%	28,067	12,232,597	-	-
4/1/2032	-	3,742,312	12,232,597	3%	28,067	12,260,664	1,347,049	-
7/1/2032	-	2,395,263	10,913,616	3%	17,964	10,931,580	-	-
10/1/2032	-	2,395,263	10,931,580	3%	17,964	10,949,545	-	-
1/1/2033	-	2,395,263	10,949,545	3%	17,964	10,967,509	-	-
4/1/2033	-	2,395,263	10,967,509	3%	17,964	10,985,474	1,373,240	-
7/1/2033	-	1,022,023	9,612,234	3%	7,665	9,619,899	-	-
10/1/2033	-	1,022,023	9,619,899	3%	7,665	9,627,564	-	-
1/1/2034	-	1,022,023	9,627,564	3%	7,665	9,635,229	-	-
4/1/2034	-	1,022,023	9,635,229	3%	7,665	9,642,895	1,022,023	384,812
7/1/2034	-	-	8,236,059	3%	-	8,236,059	-	-
10/1/2034	-	-	8,236,059	3%	-	8,236,059	-	-
1/1/2035	-	-	8,236,059	3%	-	8,236,059	-	-
4/1/2035	-	-	8,236,059	3%	-	8,236,059	-	1,428,620
7/1/2035	-	-	6,807,439	3%	-	6,807,439	-	-
10/1/2035	-	-	6,807,439	3%	-	6,807,439	-	-
1/1/2036	-	-	6,807,439	3%	-	6,807,439	-	-
4/1/2036	-	-	6,807,439	3%	-	6,807,439	-	1,461,168

LOAN REPAYMENT CALCULATION:

Base Year Residual RPTTF = **\$168,154**

Quarter	Principal Loaned	Beginning Outstanding Balance (Principal)	Beginning Outstanding Balance (Total)	Interest Rate	Interest Accrued	Ending Outstanding Balance (Total)	Amount Repaid (Principal)	Amount Repaid (Interest)
7/1/2036	-	-	5,346,271	3%	-	5,346,271	-	-
10/1/2036	-	-	5,346,271	3%	-	5,346,271	-	-
1/1/2037	-	-	5,346,271	3%	-	5,346,271	-	-
4/1/2037	-	-	5,346,271	3%	-	5,346,271	-	1,490,793
7/1/2037	-	-	3,855,478	3%	-	3,855,478	-	-
10/1/2037	-	-	3,855,478	3%	-	3,855,478	-	-
1/1/2038	-	-	3,855,478	3%	-	3,855,478	-	-
4/1/2038	-	-	3,855,478	3%	-	3,855,478	-	1,568,361
7/1/2038	-	-	2,287,117	3%	-	2,287,117	-	-
10/1/2038	-	-	2,287,117	3%	-	2,287,117	-	-
1/1/2039	-	-	2,287,117	3%	-	2,287,117	-	-
4/1/2039	-	-	2,287,117	3%	-	2,287,117	-	1,573,858
7/1/2039	-	-	713,260	3%	-	713,260	-	-
10/1/2039	-	-	713,260	3%	-	713,260	-	-
1/1/2040	-	-	713,260	3%	-	713,260	-	-
4/1/2040	-	-	713,260	3%	-	713,260	-	713,260
7/1/2040	-	-	-	3%	-	-	-	-